

FINANCIAL TIMES

Weekend FT
Section 2

Seven summits of a climber's world
Page 1

Skiing special: the pick of the piste
Page 11-12

Pampered in New York
Page 13

Paris, opera capital of the world again
Page 13

World Business Newspaper

WEEKEND FEBRUARY 25/FEBRUARY 26 1995

D8523A

Wallenberg plans to sell shares in Saab and Scania

Sweden's Wallenberg industrial empire announced plans to sell shares in Saab and Scania, the aerospace and truck companies it is dividing into separate units, but will retain control of both. The combined group has been owned since 1991 by Investor, Wallenberg's main holding company. Page 22

D-Mark gains in New York The D-Mark made sharp gains in New York trading, while the lira touched a new low of 1,121.2. The French franc fell to FF43.52; the peseta touched a new low of Ptas8.1 and sterling dipped to DM2.525. The dollar fell below DM1.46 at one point, its lowest level since October 1992. Editorial Comment, Page 8; Currencies, Page 10

German strike begins The start of Germany's first engineering strike for 11 years was marked by signs of a readiness to compromise which suggested stoppages could be short-lived and restricted to the prosperous southern state of Bavaria. Page 2

Shares surge on 'orphan assets' ruling Shares of leading UK life assurance companies surged after the government approved plans by the United Friendly insurance group to restructure its long-term life funds so that millions of pounds in surplus funds - so-called "orphan assets" - can be distributed to shareholders. Page 5; Lex, Page 22

US in \$4bn energy deals with China US companies signed \$4bn worth of agreements with Chinese counterparts in the energy and environmental sectors as part of a drive to establish dominance among foreign suppliers to China's power industry. Page 3

Football closes lower amid market worries

FT-SE 100 index
Hourly movements
3,050
3,040
3,030
3,020
3,010
29 Feb 95 24
Source: Reuters
Although this was still comfortably above the day's low of 3,033.2, the market looked weak. At last night's close, the FT-SE 100 index showed a fall of 7.2 points on the week. World stocks, Page 17; London stocks, Page 19; Markets, Weekend FT Page XXII

French seamen lift blockade Striking French seamen lifted their blockade of Calais after the French government appointed a mediator. The seamen are protesting at the use of cheap Polish crews by Meridian, a small British ferry line. Page 2

Strong growth in US orders New orders for US durable goods rose 0.6 per cent last month, bringing the gain in the past three months to 6.1 per cent, the Commerce Department said. Page 2

Nordbanken 80% ahead Sweden's Nordbanken reported annual profits up 80 per cent to SKr4.82bn (\$663m) two years after the bank was rescued by the state under the weight of huge losses. Nordbanken is to be privatised this year. Page 6

Lower oil prices hit Japanese refiners Lower oil prices and rising costs led to a 33 per cent fall in annual pre-tax profits to ¥24.5bn (\$245m) at Showa Shell Sekiyu, Japanese oil refiner and distributor affiliated with Royal Dutch Shell. Page 6

Income down at UBS Union Bank of Switzerland, the country's largest bank, said its net income fell 29 per cent last year to SF1.6bn (\$1.3bn), mainly because of a 64 per cent fall in earnings from own-account trading. Page 6

CSO warns over trade trends Britain's trade deficit with countries outside the European Union improved sharply in January, official figures show, but the Central Statistical Office warned that the underlying trade trend was worsening. Page 4

ICI warns on power prices Imperial Chemical Industries, the UK's largest electricity consumer, threatened to press for an inquiry into the electricity supply industry unless prices start to fall. Page 4

Four jailed for Hallowe'en massacre Four Ulster loyalist paramilitaries who shot dead eight people in a pub at Greysteel, near Londonderry, on Hallowe'en night, 1993, were jailed for life at Belfast crown court. Vote hangs on a knife-edge. Page 22

| Companies in this issue | | |
|-------------------------|---|--------------------|
| Albright & Wilson | 5 | Northern Electric |
| Boune End Props | 5 | Railtrack |
| Brambles | 5 | Saab |
| Campari Int'l | 5 | Scania |
| Clinical Computing | 5 | Showa Shell Sekiyu |
| Cornelco | 5 | Tratagar House |
| F&C Spec Utilities | 5 | UBS |
| H-Tec Sports | 5 | United Biscuits |
| Honeyduke | 5 | United Friendly |
| Hongkong Land | 5 | Verity |
| Nordbanken | 6 | Volkswagen |
| | 8 | Wallenberg |

For customer service and other general enquiries call:
Frankfurt
(69) 15685150

Streets resound to superhighway buzzwords

By Emma Tucker in Brussels

In the rain-swept streets and busy restaurants of Brussels the air is filled this weekend with the latest buzz words - interface, inter-operability, accessibility and cyberspace.

Government ministers from the G7, the world's seven biggest industrial powers, are in town to discuss with industry's leading technology manufacturers their vision for the much-hyped global information society. While the meeting will not result in any firm decisions, it is intended to generate enthusiasm for the new electronic age.

But for international reporters picking

their way through bundles of electrical and telephone plugs, access to the super highway from the conference's press room, remains tricky. So much for the information society when even a single European plug remains a far-off dream.

Such practical problems will not detract the visionaries in Brussels who - with their portable modems in tow - have long since abandoned the outdated notion of a plug. The problem for them is deciding where the future begins.

At a lunch yesterday Mr Carlo De Benedetti, chief executive of Olivetti, the Italian computer maker, went straight for the European jugular. "The message is deregulate," he said, taking a swipe at

European governments that continue to protect old-fashioned public telephone operators from competition. "You cannot stop human progress. If the Catholic church couldn't stop Galileo, then governments won't be able to stop things now."

His conviction that artificial barriers against the information society are no longer sustainable will be reinforced at a meeting of business leaders and ministers today. Mr De Benedetti will tell them that 1996 - the agreed date for full liberalisation of services and infrastructures within the European Union - is too late.

He has an ally in Mr Jerry Junkins the

chairman of Texas Instruments, the US chip maker, whose advice to the EU is to "open it up and let it go". The EU's obsession with universal service and protecting old-fashioned jobs is a pussy-footing tactic, which slows the creation of new jobs and will allow developing countries to overtake in terms of competitiveness, Mr Junkins said.

Aggressive calls for liberalisation are not without their detractors at this two-day summit. Mr Padraig Flynn, the European Commissioner responsible for social affairs and employment, believes that "we have to put technology on tap, not on top".

He believes the key element in the

phrase "information society" is the word "society". "We have to avoid the dangers of a dual society based on unequal access to information, skills and knowledge," he is due to say in a speech tomorrow.

The Canadian culture minister, Mr Michel Dupuy said: "If I have one message, it is the importance of content." It is a sentiment that will be warmly welcomed by the French government, struggling to convince its EU partners that quotas should be used to protect national identities. The problem is not at all new for us," says Mr Dupuy. "We live

Continued on Page 22

Washington envoy firmly denies charge

French minister claims US leaked spying case report

By John Riddling in Paris

The spy row between France and the US escalated sharply yesterday after Mr Charles Pasqua, the French interior minister, suggested the US was responsible for leaking a French report on alleged CIA industrial espionage.

The US embassy in Paris responded swiftly and strongly, describing as neither "true nor credible" the charge that the leaks were its responsibility because of delays in withdrawing alleged spies.

An embassy statement regretted Mr Pasqua's charges and accused him of breaching diplomatic confidentiality in discussing the issue. It described his comments as inaccurate, incomplete and inappropriate.

Mr Pasqua's charges, which were reported by the daily newspaper Le Monde from Dakar, one of the destinations in the interior minister's African tour, came as the espionage dispute appeared to be calming.

It erupted on Wednesday, when a detailed report in Le Monde claimed Paris had requested that five US nationals be withdrawn

because of evidence of espionage activities.

The leaking of the report has prompted a political row in France. Political opponents of Mr Pasqua, from within his Gaullist RPR party as well as from the left, have accused the interior ministry of leaking the report to divert attention from a wire-tapping scandal.

This scandal, which began last

weekend, involved claims that Mr Edouard Balladur, the prime minister, and Mr Pasqua, a key ally in his campaign for the spring presidential elections, authorised an illegal wire tap in a case linked to a political corruption investigation.

Mr Alain Juppé, the French foreign minister and an ally of Mr Jacques Chirac, Mr Balladur's Gaullist rival in the presidential contest, has demanded an official inquiry into the matter.

Mr Pasqua rejected the idea of a deliberate leak. "There was no desire on our part to publicise

this. It was due to the delay by the US in settling this affair", he said.

According to Mr Pasqua, he asked Mrs Pamela Harriman, the US ambassador in Paris, to keep the affair quiet when he first informed her in January that France had evidence against five US agents it wanted recalled. Mr Pasqua claimed Mrs Harriman replied she could not keep it quiet because "many services were aware".

The US embassy condemned what it described as an "inaccurate and incomplete account of his conversations with Mrs Harriman". It added that public discussion of the content of the conversations was inappropriate.

Yesterday's exchanges, a blow to attempts to defuse the dispute, are also likely to fuel a growing battle between supporters of Mr Balladur and Mr Chirac.

The increasingly uncertain political situation has also contributed to a sharp fall in the French franc. Yesterday the currency fell to a 16-month low, dropping from FF43.496 to the D-Mark late on Thursday to below FF43.52.

Volkswagen to recall 1.9m cars at cost of up to \$130m

By Andrew Fisher in Frankfurt and John Griffiths in London

Volkswagen, Europe's biggest motor group, is to recall 1.9m Golf and Jetta cars because of possible heating system problems.

In unit terms, the recall is the biggest yet by the German motor group. VW said it would cost up to DM190m (\$130m), with each modification costing an average of DM100. This would not affect profits as reserves were routinely set aside each year for such eventualities.

VW's action came less than 24 hours after General Motors' German subsidiary, Opel, announced its biggest recall.

It is to check 3m European-built cars and remedy potential airbag and refuelling fire risk problems. GM has refused to put a cost on that recall.

Meanwhile, a third leading manufacturer, Ford, yesterday recalled 273,700 1990 model Ford Taurus, Probe and Mercury Sable cars in the US to correct an emissions-related problem.

Across the industry, there are normally dozens of recalls a year, but they usually involve fewer vehicles and receive little publicity.

The Volkswagen Golfs and Jetas affected have 1.6 and 1.8 litre engines and were built between 1989 and 1989. Around 1.2m of them are in Germany.

Volkswagen said several thousand cars had already been repaired after German dealers and European importers had been informed of the action.

It said its engineers had discovered during regular durability and quality tests that insufficient cooling in the vehicles could lead to overheating, accelerated ageing

of the heat exchanger and leakage of the coolant.

The Golf is VW's most popular family model, the Jetta being the non-hatchback version.

VW is Opel's main domestic rival.

While the scale of both recalls is unusually large, and the faults identified disturbing, recalls are an ongoing occupational hazard for vehicle makers.

Like every other car maker, VW and Opel routinely make financial provisions for them. Thus VW could insist yesterday that the its predicted DM190m recall cost would not affect profits.

Opel is still assessing the probable cost of its own recall but does not plan to make the figure public.

It, too, insists that there should not be a significant impact on profits.

| STOCK MARKET INDICES | | |
|-----------------------|-----------|---------------|
| FT-SE 100 | 3,037.7 | (-11.5) |
| Yield | 4.35 | |
| FT-SE Eurotrack 100 | 1,303.88 | (-7.89) |
| FT-SE A-Share | 1,500.15 | (-0.84) |
| Nikkei | 17,472.94 | (-357.08) |
| New York: S&P 500 | 3,882.04 | (-5.30) |
| Dow Jones Ind Ave | 3,882.04 | (-5.30) |
| S & P Composite | 485.90 | (-1.01) |
| LONDON MONEY | | |
| 3-mo Interbank | 6 1/2 | (3 1/4) |
| Libor 101 1/2 | 101 1/2 | (Mar 102 1/2) |
| US T-bill | 5.88% | |
| 3-m Treasury Bill | 5.88% | |
| Long Bond | 100 1/2 | |
| Yield | 7.589% | |
| NORTH SEA OIL (Argus) | | |
| Brut 15-day (Apr) | \$16.91 | (15.88) |
| NEW GOLD | | |
| New York: Gold (Apr) | \$373.2 | (\$81.0) |
| London | \$373.9 | (\$79.0) |

| CONTENTS | | | |
|--------------------|----|-------------------|-------|
| News | | Gold Markets | 7 |
| International News | 23 | Equity Options | 17 |
| UK News | 4 | London SE | 16 |
| Weather | 22 | LSE Dealings | 16 |
| Lex | 22 | Managed Funds | 11-15 |
| Features | | Money Markets | 10 |
| Leader Page | 8 | Recent Issues | 17 |
| | | World Commodities | 7 |
| | | Wall Street | 16,17 |
| | | Bourses | 16,17 |
| | | Weekend FT | |
| | | Section II | |



Sign of the times: Hanoi residents ride past a banner announcing yesterday's official opening of the first branch of the Bank of America in Vietnam. The bank said that the branch would focus on financing loans for infrastructure projects and helping international customers do business in Vietnam. Citibank has also been given approval to open a branch in Hanoi. Last year a senior state bank official said Vietnam was keen to attract more US investment and to develop trade.

Uranium trader lists debts of \$400m

By Kenneth Gooding, Mining Correspondent, in London

Mr Oren Benton, the Denver entrepreneur who built up one of the world's biggest uranium trading organisations, has filed for bankruptcy protection citing debts of between US\$400m and \$500m - owed to companies in Russia, China and the UK.

His bankruptcy petition says Mr Benton, part-owner of the Colorado Rockies, a Major League baseball team, and once considered one of the state's richest people, has assets worth "in excess of \$100m".

The filing with the US Bankruptcy Court says Mr Benton owes \$160m to Tenex, a Moscow-based arm of Russia's Ministry of Atomic Energy; \$76m to the China Nuclear Energy Industry Corporation; \$11.7m to Washington Public Power Supply System; and about \$34m to British Nuclear Fuels.

BNFL said yesterday it had paid \$25m to Mr Benton's Nexco trading company for the supply of uranium but Nexco's financial collapse would have no impact on BNFL's customer contracts. "We, with other creditors, are considering the best course of legal action to recover the debts," an official added.

Mr Benton, 50, set up Concord, a complex international group of mainly private companies, in

Continued on Page 22
Luck runs out for big-time uranium gambler, Page 3

'I was an avid reader of the financial pages. Until I discovered The Mercury Portfolios'

'Not that I've lost interest. Far from it. your financial adviser, call Mercury
It's just that as an investor in The Mercury Portfolios I can rest assured
my investments are receiving expert attention. Round the clock - and round the world. In fact, as an
investor in The Mercury Portfolios I receive a level of service more usually reserved for some of Britain's most substantial private investors.
All I have to worry about is whether to opt for growth or income. But don't take my word for it. Talk to

BRITAIN'S LEADING INVESTMENT HOUSE

NEWS: INTERNATIONAL

IG Metall offers flexibility, employers disagree over tactics, as action starts in Bavaria

Hints of compromise as German strike begins

By Andrew Fisher in Frankfurt

The start of Germany's first engineering strike for 11 years was marked yesterday by signs of a readiness to compromise which suggested stoppages could be short-lived and restricted to the prosperous southern state of Bavaria.

One company, the Grob machinery maker, forestalled a strike by giving its employees a day's paid holiday. It said the aim was to prevent its labour climate from deteriorating, as happened after the last strike in 1984.

Mr Klaus Zwickel, head of IG Metall, the engineering industry trade union, demanded an offer from the employers in response to its 6 per cent pay claim, but stated his readiness to enter into talks aimed at reaching a compromise.

"We have never said there has to be a definite figure," Mr Zwickel said yesterday about his desire for an employers' offer. "But there must be a substantial signal."

The negotiations, which set the pace for other industries, have been soured by the insistence of Gesamtmetall, the engineering employers' federation, that any pay rise should be offset by savings through more flexible working practices.

Pay talks in the chemical industry collapsed on Thursday, with the moderate IG Chemie union unwilling to

agree a deal during the engineering strike.

Showing dissent among the engineering employers' ranks, Mr Carlhanus Damm, head of AEG household electronics (owned by Sweden's Electrolux), said it would try to reach settlements at local plant level if Gesamtmetall could not reach a compromise with IG Metall. He criticised the failure of Gesamtmetall to make an offer and said production of new AEG products would now be held up.

Mr Günther Thumann, Frankfurt-based economist with Salomon Brothers, the US investment house, said the strike would strengthen the position of the union against a dis-united employers' federation. "Some companies, especially big ones with full order books, would pay up at once if they could avoid stoppages. Others would find it hard to survive huge wage increases."

He felt the immediate impact of the strike would be small, but warned of the consequences for future inflation. "The risks of an increase in consumer prices, already in the pipeline for the second half of this year, would be increased if the wage round led to settlements markedly higher than in 1994."

Mr Martin Hüfner, chief economist at Munich-based Bayerische Vereinsbank, said: "Germany can't afford wage rises of between 3.5 and 4 per

cent." He was concerned the strike would raise expectations and lead to a pay deal that was too high.

Yesterday's start to the strike, Bavaria's first in the industry since 1984, affected 22 plants and 11,000 union members. IG Metall has been careful to keep the strike away from plants - such as in the car sector - which depend on parts from other companies or which supply other producers. But it has said the strike would be stepped up next month, if necessary, to affect all plants.

Among companies affected yesterday were MAN's diesel engine and printing equipment subsidiaries and two Siemens electronics plants. Mr Heinrich von Pierer, Siemens' chairman, said this week that payment of the union's full 6 per cent claim would cost the group an extra DM1.2bn (\$515m) a year.

So far, Gesamtmetall has refrained from calling on members to adopt a lock-out policy. But Mr Hans-Joachim Gottschol, its chairman, repeated yesterday its demand that the 36-hour week be postponed from this year's agreed October starting date. IG Metall has strongly rejected this.

Supporting the Bavarian strike, 33,000 employees in companies elsewhere stopped work for several hours in sympathy. A brief walk-out was staged by 20,000 workers at the Mercedes-Benz car plant near Stuttgart.



Two IG Metall strikers blow whistles outside a Siemens electronic plant in Nuremberg yesterday. The placard says "6% is not too much".

Even 5m car recalls have 'little effect' on profits

By John Griffiths in London

The recall of 3m Opel-Vauxhall cars and 1.5m Volkswagens Golf and Jetta, announced yesterday within 24 hours of each other, is the largest in the respective companies' histories.

Taken together, the near-simultaneous recall of nearly 5m cars is thought to be an industry world record in terms of units, though not of expected cost.

Until their cars are checked, owners of all Opel and Vauxhall cars fitted with airbags have cause for a small but nagging doubt, over whether the airbag might actually function

in a crash. Owners of nearly 1.5m Opel and Vauxhall Astras built since 1992 will be wary of small flash fires in their cars' fuel filler necks until a small earthing clamp can be fitted to preclude electro-static charges building up during refuelling.

Owners of Golfs and Jettas built between 1983 and 1989 meanwhile will watch their engine temperature gauges warily, fearful that the possible overheating problem identified by VW in its recall might apply to them.

While the scale of both recalls is unusually large, and the faults identified disturbing, recalls are an occupational

hazard for vehicle makers. Like every other carmaker, VW and General Motors' Opel subsidiary routinely make financial provisions for them.

Thus VW could insist yesterday that the predicted DM180m (\$51.5m) cost of the recall will not affect profits. Opel is still assessing the probable cost of its own recall but does not plan to make the figure public. It, too, insists there should not be a significant impact on profits.

The announcement of a third recall yesterday, in which Ford in the US is recalling about 273,700 1990 model Ford Taurus, Probe and Mercury Sable cars for an emissions-related

problem, underlines the fact that recalls are a far more frequent process than people are ordinarily aware.

Despite big strides in quality, all manufacturers are resigned to the fact that a complex machine with typically 6,000 or more individual parts will have occasional errors of design or execution.

Although in the past the industry has required legislative pressures to institute formal recall systems, with automatic contacting of all registered owners, manufacturers now routinely initiate the recalls without outside prompting, wishing to avoid being seen as responding only to

problems identified in the marketplace. Opel said yesterday that around 10 instances of fuel problems had been reported. The airbag check follows the report into a fatal accident in Germany during December when an airbag failed to inflate. Volkswagen maintained that its recall was being made despite "only a few" cases of overheating being identified.

Across the industry, several hundred recalls are typically made each year. Although most typically involve fewer vehicles, in some cases they can be considerably more expensive than the recalls now facing VW and possibly Opel. For example, an engine problem with minivans, affecting 33,000 vehicles, Nissan into a \$230m (\$245m) buy-back programme in 1993.

More recently, in a potentially far more financially damaging case, General Motors bitterly contested demands for the recall of more than 5m pick-up trucks because of the location of their fuel tanks. However, in December the US government dropped its two-year investigation into the claims, while GM agreed to pay \$51m into a safety research programme. Nevertheless GM is still facing a number of private lawsuits on the issue.

Irish Steel calls for harmony as Dublin rescue takes shape

Irish Steel yesterday played down the threat of a row with British producers after Dublin's decision this week to support the loss-making concern.

The government yesterday submitted its formal application to the European Commission to inject £50m (\$39.6m) into the Cork plant, Ireland's only steel mill. Mr Richard Bruton, the enterprise and employment minister, announced the government would seek EU approval at the April Council of Ministers meeting.

British Steel, which already sells products in the Irish market, says it will challenge the decision in the European Court, a threat which one Irish union official said was like taking "a sledgehammer to a very small nut".

Irish Steel, a state-owned mini-mill, has just 350 employees and accounts for less than 1 per cent of EU steel output, producing about 300,000 tonnes.

By June 1993, at the height of the European steel industry crisis, the company had accumulated losses of £118m because of its overstaffed, high-cost production.

The company underwent an £80m restructuring in the mid-1980s. The latest rescue plan entails annual savings of £18.4m through cost cuts, productivity improvements and about 200 voluntary redundancies, already carried out. The package is to include a grant of £10m and £10m of loan guarantees.

In the Dail, the Irish parliament, there is little sign of opposition to the plan. The move was also welcomed by unions.

The survival is a big issue in an area which has already suffered the closure of the town's two principal foreign investors - Dunlop and Ford. The local shipyard has failed to win orders, losing out to shipbuilders from Scandinavia and South-East Asia.

John Murray Brown reports on the obstacles to Ireland's efforts to save its only steel mill

All the main parties promised to save the steel plant during two critical elections in Cork last November. Mr Bruton said this week: "It was for the company to deliver on the viability plan. Without a radical restructuring, Irish Steel was always unlikely to achieve long-term viability."

The management is forecasting a net profit of £2.1m by 1996-97, compared with a loss of £13.7m for 1993-94. The company is prepared for a loss of £17.3m in 1994-95. The government is expected to inject £12.5m in 1995-96 and £25m in 1996-97 and £25m in 1997-98.

After meeting the EU Commissioner Mr Karel Van Miert earlier this year in Brussels, Irish union officials are confident the Commission will be in favour of the package. The Commission has recently approved state support for plants in Germany and Italy.

Irish Steel points out that the labour force has already made a massive adjustment, agreeing to redundancies, the introduction of flexible work practices, and a three-year wages freeze, all of which has resulted in a 50 per cent cut in labour costs, according to Mr Leslie Buckley, the chief executive.

The company is also engaged in technology improvements to produce a higher grade product. Of the rescue package, £13m is earmarked for capital investment to upgrade the rolling mill. Irish Steel believes this may be the real reason for the concerns of the British producers.

The unions have now also agreed in principle to a sale of government shares to a foreign partner. Approaches have already been made to Riva of Italy. Officials say Irish Steel is in discussions with four other foreign companies. Mr Bruton said this week the government would not limit the sale.

Mr Pat Dineen, the insurance executive who took over as Irish Steel chairman last May, added one caveat: "In any deal we do, we will copper fasten the jobs."

With rumblings from the British steel industry, the rescue plan has assumed wider political significance, coming as it does at an awkward time in Anglo-Irish relations with the Northern Ireland peace process delicately balanced.

The UK's Department of Trade and Industry says it is monitoring developments. Mr Dineen said: "We've heard noises too, but we hope British Steel will not be against competition."

French seamen lift blockade of Calais

By Charles Batchelor and Lisa Wood in London and John Ridding in Paris

Striking French seamen lifted their 24-hour blockade of the port of Calais yesterday after the French government appointed a mediator. The seamen's action had forced ferries from Dover to travel instead to the Belgian port of Zeebrugge.

The French seamen's unions said they would await negotiations with the mediator on Monday before considering further steps, but could not rule out further industrial action at French ports.

They are protesting at the use of cheap Polish crews by Meridian, a small British ferry line which operates freight services between Folkestone and Boulogne.

At present most ferry crews within EU countries are nationals. Member states demand that foreign nationals be employed only when the company can demonstrate that they are the most suitable for the post.

Meridian was breaking no UK or European Union laws in employing the seamen.

In the UK the RMT transport union warned that the use of foreign nationals by Meridian could be the "main edge of the wedge" with other British ferry operators following suit.

Polish seamen are playing an increasingly important role in crewing ferries around Britain's coast because of their relative cheapness and because they are reliable and well-trained.

But they are only one group of "foreign" seamen employed in north

European waters, with Spanish crew also accounting for a large share of crew numbers. In the Baltic, Estonians and Latvians are finding increasing employment.

Poles account for about 40 per cent of crew numbers on Irish Sea freight and passenger ferries, with a similar number of British seamen and 20 per cent Spanish crew members.

Poles can be hired for £25-£30 a day compared with £60-£70 for a British able seaman and even higher rates for French crews, according to Clyde Marine, a leading manning agency. French seamen have been protected by their employment legislation in the past but are coming under growing commercial pressure to fall into line.

A French able seaman can earn £17,000-£18,000 a year compared with £14,000-£15,000 for his British counterpart.

British pay rates have come under pressure from competition between the ferry companies and the opening of the Channel tunnel, and have fallen from £80-£100 a day a few years ago, said Mr David Livingstone, managing director of Clyde Marine.

The French government said it was pushing for a code of good conduct, under which European Union shipping companies would only employ staff from EU states and would set standards for working conditions and payment. The Transport Ministry accepted, however, that France had not received much support for the idea, which is due to be discussed at the EU Council of Ministers in Brussels in March.

INTERNATIONAL NEWS DIGEST

Mexico exports surge by 35%

A surge in exports led to a 69 per cent fall in Mexico's trade deficit during January, a sign that the devaluation of the peso has increased the competitiveness of Mexican exports. In January 1994, exports were up by 35.4 per cent to \$5.54bn, while the growth in imports slowed to a modest 7.9 per cent, coming in at \$5.98bn. Analysts said imports should fall further during February as the recession begins to take effect.

Demand is also being slowed by high inflation, which continued to grow in the first two weeks of February. According to the central bank, prices increased 2.5 per cent - an annual rate of 70 per cent, against a government projection of 30 per cent. Fears about inflation and recession pushed both the Mexican stock market and the peso down yesterday. At midday the main IPC index of the stock market was down 1.71 per cent, while the peso was trading at 5.835 to the US dollar, against Thursday's close of 5.885. *Ted Bardacke, Mexico City*

US orders surprisingly strong

US economic growth is likely to remain robust, strong figures for industrial orders indicated yesterday. The Commerce Department said new orders for US durable goods rose 0.6 per cent last month, bringing the gain in the past three months to 3.1 per cent. In the past year orders have risen 10.6 per cent. The figures surprised many Wall Street analysts who believe the economy is slowing and had predicted a 0.3 per cent decline in orders. Orders for transport equipment, volatile on a monthly basis, fell 5 per cent between December and January. But this was offset by a 7.2 per cent gain in orders for industrial machinery and equipment. The figures pointed to continued solid growth of domestic investment. Orders for non-defence capital goods, excluding aircraft - a guide to civilian investment plans - rose 5.8 per cent last month, more than offsetting declines in November and December. *Michael Frouse, Washington*

French GDP rose 2.5% in 1994

The French economy grew by 2.5 per cent in 1994, following a strong investment and export performance in the final quarter of the year, according to figures released yesterday by Insee, the national statistics institute. The rise in GDP was stronger than initial government forecasts of 2 per cent, reflecting a strong rebound from the recession of 1992-93. Expansion has been driven by exports, and increasingly by investment, both of which were important factors in the quarterly growth rate of 0.6 per cent in the October-December period. Economists expressed a note of caution, however, about the strength of recovery, noting that consumer spending fell significantly in January. Insee also said consumer prices rose by 0.3 per cent in January, compared with December. The increase gave an annualised inflation rate of 1.7 per cent. *John Ridding, Paris*

Manila peso under pressure

The Philippine peso came under severe pressure yesterday, hitting a five-month low, in spite of central bank support. The weakness reflects fears that it is one of the more vulnerable currencies in south-east Asia and could be headed for a Mexico-style collapse of confidence. Within the first hour of trading yesterday the peso breached the Philippine central bank's 15 per cent "volatility band", triggering a two-hour suspension of activity, having dropped to 26 pesos from the opening rate of 25.5. At close the peso had recovered slightly to 25.9 per dollar. In response, Mr Gabriel Singson, governor of Bangko Sentral of the Philippines, raised the interest rate on overnight borrowing from 15 per cent to 25 per cent and called a meeting of the Monetary Board last night. Mr Singson denied claims that the Philippine currency was heading for a Mexican-style collapse, stressing that the Philippine economy was healthy. *Edward Luce, Manila*

Russian дума passes budget

The lower house of Russia's parliament yesterday approved the third reading of the government's 1995 budget, removing one of the biggest impediments blocking a \$6.25bn loan from the International Monetary Fund. Despite hearing forceful arguments from the agrarian lobby for bigger subsidies, parliament approved the budget by 268 votes to 93 - a sufficiently large margin to suggest that the fourth and final reading will be a mere formality. Mr Vladimir Panskov, finance minister, said he thought the decision would have a "very positive effect" on the talks with the IMF which recommenced in Moscow yesterday.

The spending limits set by the budget may soon come under pressure if Russia's coal miners carry out threats of industrial action. The miners, who were due to start an indefinite strike next Wednesday, appear to have postponed strike action for two weeks after the government granted the industry more funds. *John Thornhill, Moscow*

Temporary reprieve for finrand

Prospects for early abolition of South Africa's two-tier currency system receded yesterday after a week of mounting speculation. Mr Chris Liebenberg, the minister of finance, said political stability had to be assured if the financial rand, introduced to prevent capital flight, was to be scrapped. "If you want economic growth, then you must have political stability," he said. "We must have certainty. And with one party not in parliament we certainly cannot bring about stability." Mr Liebenberg was referring to the decision on Tuesday by Chief Mangosuthu Buthe, the leader of the Zulu-based Inkatha Freedom party, to boycott parliament for at least two weeks in protest at the "betrayal" of the other two parties in the government of national unity. The minister said that he quoted the present tension to show that the political situation remained fluid. He still believed that the financial rand should be abolished some time this year. It weakened slightly against the dollar to close at R14.875 having touched an all time low on 3.77 per cent of Thursday. Dealers said that the market still believed that the financial rand had to be scrapped fairly soon. *Roger Matthews, Cape Town*

Mannesmann director quits

The former chief executive of Mannesmann, one of Germany's best-known engineering groups, resigned from the company's supervisory board yesterday because of a public prosecutor's investigation into alleged wrongdoing. Mr Werner Dieter said he was resigning because he wanted to "keep Mannesmann out of this [investigation]". The prosecutor is investigating allegations that Mr Dieter abused his position as chief executive by forcing Rexroth, a Mannesmann subsidiary, to buy hydraulic equipment from Hydac, a company owned by Mr Dieter's family. Mr Dieter was chief executive of Mannesmann from 1985 until he retired last year. He said yesterday dealings between the two companies had always been "at arms' length and totally correct". *Michael Lindemann, Bonn*

Germany outlaws Nazi groups

The German government yesterday outlawed two extreme right-wing groups, saying they bore a resemblance to the Nazi party and were therefore unconstitutional. Mr Manfred Kanther used his powers as interior minister to ban the 430-strong *Freiheitliche Deutsche Arbeiterpartei* (FAP) following a ruling by the constitutional court that it was not a political party. The smaller *Nationale Liste* (NL) in Hamburg was also banned. *Michael Lindemann, Bonn*

THE FINANCIAL TIMES
Published by The Financial Times (Europe) GmbH, Verlagsgruppe, 1, 90114 Frankfurt am Main, Germany. Telephone: +49 69 156 550. Fax: +49 69 296 4881. Telex: 410495. Registered in Frankfurt by J. Walter Bredel, Wilhelm J. Bredel, Colin A. Kennard as Geschäftsführer and in London by David C.M. Bell, Chairman, and Alan C. Miller, Deputy Chairman. Shareholders of The Financial Times (Europe) GmbH are: The Financial Times (Europe) Ltd, London and F.T. (Germany) Advertising Ltd, London. Shareholders of the above mentioned two companies are: The Financial Times Limited, Number One Southwark Bridge, London SE1 9HL, GERMANY.
Responsible for Advertising: Colin A. Kennard. Printer: DYM Druck-Vertrieb und Marketing GmbH, Adminal-Rosenfeld-Strasse 3a, 61261 Non-Lietzberg (nearby Hürup International). ISSN 0174-7763.
Responsible Editor: Richard Lambert, 20 The Financial Times Limited, Number One Southwark Bridge, London SE1 9HL.
FRANCE:
Publishing Director: D. Groot, 188 Rue de Rivoli, F-75004 Paris Cedex 01. Telephone: (01) 4297-0621. Fax: (01) 4297-0629. Printer: S.A. Nord Eclair, 1921 Rue de Caen, F-91000 Evry-Courcouronnes. Editor: Richard Lambert. ISSN 1146-2753. Commission Paritaire No 67080D.
SWEDEN:
Responsible Publisher: Hugh Carvery 368 016 6095. Printer: AB Kvalitetstryckeriet. Expressen, PO Box 6007, S-250 06, Jönköping.
© The Financial Times Limited 1995.
Editor: Richard Lambert, 20 The Financial Times Limited, Number One Southwark Bridge, London SE1 9HL.

Turkish party merger boost for Çiller

Union between the SHP and CHP may save Ankara's coalition, writes John Barham

A merger of two of Turkey's three social democratic parties is breathing new life into the once-moribund left-right coalition government of Prime Minister Tansu Çiller.

The union of the People's Socialist Party (SHP), Mrs Çiller's junior coalition partner, with the opposition People's Republican Party (CHP), formally confirmed on Thursday, will increase the government's backing in parliament and bring new blood to the cabinet.

A special conference of the two parties agreed last week to merge under the leadership of Mr Hükmüt Çetin, a respected SHP politician who served as Mrs Çiller's foreign minister until August.

The merger increases the government's majority by 15 seats to 252 seats in the 460-member parliament. It also reduces demands for Mrs Çiller's resignation.

Mr Çetin is expected to begin negotiations with Mrs Çiller and her conservative True Path party (DYP) on a new coalition protocol as soon as she returns from a visit to Japan this weekend. The protocol would share out government jobs between the two parties and detail the new cabinet's policies.

The previous protocol, signed in 1991 with the formation of the first DYP-SHP administration, is a dead letter. However, the deal remains essentially the same. The DYP will manage economic policy and the CHP will control social and foreign policy.

Yet it is too early to see whether the new cabinet can deliver the ideological differences between the SHP and the DYP that paralysed Mrs Çiller's market-oriented economic reform policies.

The CHP's success in winning support for its political liberalisation policies remain uncertain. Hardline DYP MPs blocked reform for years and only in January backed watered-down amendments to harsh security laws and the 1982 constitution.

Mr Çetin must rapidly impose his authority on the new party and revive his party's popularity. Failure to impose political reform, and to defend the public sector cost the SHP much of its support. An opinion poll last month

showed the SHP and CHP together supported by only 14 per cent of voters, less than the Islamic Refah party and the conservative Motherland party. Diplomats hope unification of the left will help contain the threat from Refah, which has grown rapidly in the past two years and could win the next general elections. Business believes firmer government will stabilise the economy, further neutralising Refah.

A more confident government may also seek a political solution to the 11-year Kurdish insurgency. Mr Çetin, who is of Kurdish origin, hopes to replace the government's brutal military campaign with a negotiated settlement.

This would improve Turkey's troubled relations with the European Union. Customs

union with the EU in 1996, a central foreign policy objective, is threatened by Turkey's bad human rights record and a Greek veto.

Unification is good news for Turkey's fractious left. The SHP was founded in 1983 and the venerable CHP, created by Kemal Atatürk, the founder of modern Turkey, revived in 1991 following a split in the SHP. However, the SHP-CHP marriage may be little more than a distraction.

The wily Mr Bülent Ecevit, a former prime minister now leader of the Democratic Social party (DSP) - second to Refah in the polls - has refused to join the merger. He calculates that the merged parties will be unable to recover their lost credibility and that the government will continue floundering.

Clinton to review affirmative action

By George Graham in Washington

President Bill Clinton has ordered an urgent review of all US affirmative action programmes, bringing to the centre of the political arena the issue of how far the government can go in helping disadvantaged groups without falling into a policy of reverse discrimination.

Mr Clinton is seeking to head off an assault on affirmative action to help groups such as racial minorities and women that has been signalled by the Republican leaders of Congress, Mr Newt Gingrich and Senator Robert Dole.

The White House wants to defend the principle of affirmative action as a remedy against discrimination, but is anxious to weed out programmes that

would make easy targets for the Republicans, who are eager to find a wedge to split the Democrats and white voters by painting the party as defenders of unfair quotas and race-based set-asides.

"The president wants to make sure that we stand against any attempt to use race as a wedge issue, to make sure that where there is discrimination, affirmative remedies apply," said Mr George Stephanopoulos, a White House spokesman.

Mr Clinton indicated this week that rolling back affirmative action would be one of his priorities once the House has finished its 100-day drive to pass the 10 bills included in the Republicans' Contract with America manifesto.

Mr Dole, meanwhile, has launched a Senate taskforce to

examine a list compiled for him by the Congressional Research Service of more than 150 programmes which offer some kind of preference on the basis of race or gender.

Preferences range from a requirement that "special consideration" be given to historically black universities when the Department of Education makes grants for teacher training, to an obligation for federally aided airport operators to ensure, "to the maximum extent practicable", that at least 10 per cent of their contracts be placed with "small business concerns owned and controlled by a socially and economically disadvantaged individual".

That definition has been presumed to apply to black, Hispanic, native American and Asian-Pacific entrepreneurs.

Actual numerical quotas are rare and usually carry some let-out clause, but the list of programmes requiring "positive efforts" or "encouragement" to minority individuals is long.

The politics of affirmative action are especially difficult for Mr Clinton and the Democrats. Some of the president's most effective speeches have focused on the importance of not allowing race to divide the US and the administration cannot afford to alienate black and liberal voters who are central to the Democratic base.

But Mr Clinton also needs to recapture some of the more conservative voters, resentful of racial quotas, who backed him in 1992 but deserted the Democrats in last year's congressional elections especially

white males, of whom 62 per cent voted Republican in November.

In a series of rulings in the 1970s and 1980s the Supreme Court upheld the legality of affirmative action programmes when used carefully to remedy past or continuing discrimination, but dismissed rigid numerical quotas.

President Clinton has continued to argue for that approach. But a growing number of white Americans believe that discrimination no longer exists in the US, and that past discrimination lies so far back in history that it no longer deserves to be remedied by affirmative action.

The Supreme Court, now more conservative than it was in the 1980s, may move in the direction of that belief when it decides in the next few months

on a case brought by a white building contractor. He complained of unconstitutional discrimination when the Transportation Department awarded a road guardrail contract to a Hispanic company even though it had submitted a higher bid.

A small, but also growing, number of black Americans also reject affirmative action as perpetuating an assumption of black inferiority by denying them the opportunity to achieve something on their own merits.

They include veterans of the 1960s civil rights movement who fear that affirmative action runs counter to Dr Martin Luther King's dream "that my four little children will one day live in a nation where they will not be judged by the colour of their skin but by the content of their character."

US in \$4bn energy deals with China

By Tony Walker in Beijing

US companies yesterday signed \$4bn (\$2.5bn) worth of agreements with Chinese counterparts in the energy and environmental sectors as part of a drive to establish dominance among foreign suppliers to China's power industry.

But representatives of international power companies were sceptical about the results from the high-profile mission led by Mrs Hazel O'Leary, the US energy secretary, and suggested that a relatively small number of the 26 agreements would come to fruition.

China's reluctance to provide bank guarantees for infrastructure financing is holding up new projects. An unresolved argument about the rate of return on equity investments in the power sector is also proving a big obstacle.

Dozens of power sector projects are awaiting government approval and it had been hoped the US mission would help break the logjam. In spite of confident assertions from US officials that agreements

signed this week would produce concrete results, the O'Leary mission appeared to make limited progress in removing the finance and rate of return obstacles.

Mrs O'Leary said the two governments would continue to work together to overcome these hurdles, but conceded that complicated issues were involved for both sides. These were, she said, adequate and fair payment for the risk, an affordable price for the power itself, a legal structure which is enforceable, and attention to foreign exchange issues and restriction of profits.

Mrs O'Leary also insisted that her mission was "about more than just signing deals". "Our goal has been to broaden cooperation across a wide spectrum," she said.

US participants in the O'Leary mission had earlier signed agreements worth \$2bn in Shanghai. The US content of the total \$6bn in deals initiated in the past week is estimated at \$4.6bn.

This figure includes \$2bn in electric power generation, \$1.4bn in coal projects, \$800m in renewable energy, \$120m in energy efficiency, and \$31.5m in oil and gas.

Among larger projects was a letter of intent signed by Energy Initiatives of the US, Intelsol International and the Sichuan Electric Power Company for the construction of a 1,500MW coal-fired power plant in south-west China. The deal would be worth an estimated \$1.2bn.

Other important signings included a \$500m multi-plant licensing agreement between Texaco and the Ministry of Chemical Industry (SINOPEC) to supply nine gasifiers.

US power sector executives believe attention is focusing too narrowly on the rate of return issue. Mr Nathaniel Woodson of Westinghouse said the argument should be about "change and deregulation" of the power sector so that the market could decide a fair price for electricity.

Mr Li Ka-shing, the Hong Kong tycoon who helped Shougang, the disgraced Chinese steel company, to establish itself in the colony, yesterday broke his silence about the affair and threatened to sue those who spread rumours about his business dealings in China, reports Simon Holberton in Hong Kong.

In a rare interview, he told Hong Kong's Economic Times, a Chinese-language daily, that he knew nothing about the arrest of Mr Zhou Beifang, the former chairman of Shougang's two main Hong Kong subsidiaries. He also denied that any of his investment projects in China were being held up by the Chinese authorities.

Last week it emerged that Mr Zhou has been arrested in Beijing for "serious economic crimes". The Shougang group earlier this week sought to distance itself from Mr Zhou's predicament when it said it was "his personal matter".

Japan's imported beer craze goes flat

By Emiko Terazono in Tokyo

Imported beer, the toast of Japan last year during a long hot summer, has suddenly fallen out of fashion, prompting a brutal discounting war among overstocked retailers.

Japanese retailers had presumed that drinkers were changing the habits of a lifetime and taking to foreign brews, but they seriously miscalculated the country's thirst.

Dai-ichi, the country's largest supermarket chain, has a bad hangover. "Please! Buy it," pleaded a full page advertisement by Dai-ichi, referring to the company's Belgian brands.

Last year, beer imports for the January-November period totalled 287,000 kilolitres, three times that of the previous year. Market share, by shipments, rose from 1.6 per cent in 1993 to 4.4 per cent last year.

But it seems that much of the merchandise has remained in store and, in image-conscious Japan, the prestige, as well as the price, of imported beer is being discounted. "Retailers just didn't know how to control their stocks," said a Japanese brewer.

"We sold a lot in the summer but we were wrong with our predictions and were also hit by the fall in sales due to the Hanshin earthquake," explains the advertisement.

A serious problem for retailers is that the beers imported last year are apparently becoming stale. "The freshness of beer is a big issue for Japanese consumers," said Ms Victoria Melendez, analyst at brokers Morgan Stanley.

In Japan, a bottle of beer is considered to start losing its flavour after six months, and this has been one reason some consumers were reluctant to buy cheap imported brews in the first place.

Dai-ichi, selling one imported beer originally priced at ¥128 (83 pence) per can at ¥100, says the beer is more than six months old. However, it offers consumers one year "flavour guarantee" from itself and the Belgian producer.

The company's discounts, meanwhile, have angered small alcoholic drinks retailers. The All Japan Liquor Merchants Association has filed complaints against Dai-ichi with the Fair Trade Commission, for violating anti-dumping laws.

But some domestic beer manufacturers see Dai-ichi's move as a boon. "Consumers are likely to think that foreign beer is cheap but stale," says one leading brewer.



Jean Chrétien applauds President Clinton after his address to the Canadian parliament

CLINTON AND CHRETIEN SIGN OPEN SKIES DEAL

US-Canada air traffic will be opened to virtually unrestricted competition under an "open-skies" treaty signed by President Bill Clinton and Canada's prime minister Jean Chrétien in Ottawa yesterday, Bernard Simon reports from Toronto.

The agreement will free airlines to offer cross-border flights to whichever cities they want. Services to the busiest air-

ports, such as New York's La Guardia, will be phased in, and will be subject to availability of landing slots.

Neither country's carriers will be allowed, however, to operate domestic services on the other side of the border. Air Canada is expected to use the agreement to start an hourly shuttle between Toronto and New York, and to start services to several other US cities.

US airlines have indicated that they will expand services to Toronto, Montreal and Vancouver. In addition, several low-cost regional carriers are expected to enter the market with cut-price fares.

The air-services treaty was the centrepiece of Mr Clinton's overnight visit to Ottawa, which also included talks on a variety of contentious US-Canada trade issues.

Microsoft 'bully tactics' broke antitrust laws, says Apple

By Louise Kehoe in San Francisco

Microsoft, the world's largest computer software company, is facing a fresh row in the US over its alleged "bullying tactics" toward competitors in the software market.

Apple Computer has accused Bill Gates, chairman of Microsoft, and other senior Microsoft executives of serious antitrust violations in "threats" allegedly made to Apple executives during a meeting in January.

Apple's accusations, denied by Microsoft, were made in a letter to US District Judge Stanley Sporkin, who, two weeks ago rejected Microsoft's settlement of antitrust charges brought by the Justice Department. The letter, dated February 13, was released by the court this week.

Apple's Macintosh computer is the only widely used personal computer that does not use Microsoft Windows operating system. However, Microsoft

is the largest supplier of application programmes for the Macintosh.

The Microsoft programmes are critical to Apple's efforts to compete with manufacturers of "IBM-compatible" PCs that run the Windows system.

In sworn statements, Apple executives charge that at a January meeting of top executives from both companies, Mr Gates threatened to cease development of software for the Apple Macintosh unless Apple dropped development of OpenDoc, a software development system that competes with Microsoft's Object Linking and Embedding (OLE) technology.

Apple also alleges that Microsoft attempted to limit its early access to "Windows 95", a new version of the widely-used PC operating system programme, contingent upon Apple dropping copyright infringement claims against Microsoft.

Microsoft holds a near monopoly in the market for PC operating system software and critics charge that the company has used this power to expand in other software sectors in violation of US antitrust laws.

If carried out, Microsoft's alleged threats would be "commercially devastating" for Apple, the company said in its letter to Judge Sporkin.

Mr Gates responded last Thursday in a letter to Mr Michael Spindler, Apple chairman and chief executive, denying the charges and accusing Apple of misrepresenting the facts. "I am writing to make it clear how disappointed I am in the lack of candour and honesty Apple has shown in dealing with Microsoft during the last several months," he said.

"We have always made our commitment to the Macintosh very clear," said Mr Gates. "This commitment has continued despite the copyright lawsuit which Apple brought against all Windows software

and lost, and despite the fact that Apple has treated Microsoft less favourably than other Mac (Intosh software) developers on dozens of occasions."

Microsoft executives said that they were "shocked and dumbfounded" by Apple's interpretation of their remarks during the January meeting. "We never said that they should drop development of OpenDoc," said Roger Heinen, Microsoft senior vice president.

"We discussed the need to make it easier to make the two systems work together better," he claimed, but Microsoft said that it would cease development of Macintosh application programmes.

Microsoft also maintains that Apple has rebuffed its attempts to hold meetings to discuss the latest copyright dispute. Mr Spindler reneged on a promise to contact Mr Gates concerning the case, Microsoft claimed.

The rift between Apple and Microsoft could be damaging to both companies.

Europe to worry about the market's over-dependence on CIS material. Other countries have followed the US lead and curbed CIS imports.

Consequently, a two-tier price system has developed, with CIS material fetching a lower price.

At today's \$10 a lb, only the lowest-cost mines in Australia and Canada can break even. However, some producers have unbreakable long term contracts to supply utilities at higher prices, even above \$20 a lb. As a result, some producers have given way to the temptation to close mines temporarily and buy uranium in the free market instead.

Nuexco is only one part of Mr Benton's complex and mainly private business empire. Born in Iowa nearly 61 years ago, he worked for the Arthur Andersen accounting firm for nearly 20 years from 1967 before joining Denver mining entrepreneur Mr Robert Adams in 1978.

He formed his Concord holding company in 1982 after Mr Adams died. Last year he claimed Concord, a loose affiliation of about 30 companies in mining, technology, manufacturing and banking, had annual revenues of about \$500m and employed 1,500 worldwide.

Until recently, Mr Benton, his wife and six daughters were considered one of the wealthiest families in Colorado, itself a rich state. He could not prevent some intrusion into his private life after he became part-owner of the Colorado Rockies baseball team.

There were suggestions yesterday that the US baseball strike which cut short a successful season for the Rockies also cut into Mr Benton's cash flow at a difficult time. In his bankruptcy petition, Mr Benton said his assets were worth "in excess of \$100m." But his bankruptcy attorney said: "He has no cash now."

Luck runs out for big-time uranium gambler

Ken Gooding on the financial meltdown of an overambitious international trading empire

Mr Oren Benton is generally a reclusive and private individual. He gained some global notoriety when he loaded 100 head of cattle from his ranch in Colorado on to a Federal Express jet and shipped them off to Russia as a gift to the government.

The Denver entrepreneur's Nuexco uranium trading organisation once claimed to be the biggest in the world, and virtually reinvented the business by bringing to the west uranium from the vast Russian stockpiles. He once said his efforts had earned \$500m of desperately needed hard currency for Russia.

But his uranium trading empire has gone into financial meltdown with debts of about \$400m and \$500m owed mainly to companies in Russia, China and the UK.

Mr Benton's empire collapsed because of a colossal gamble, rival traders suggested yesterday. They said Nuexco in

the past two years borrowed 20m pounds of uranium from nuclear power companies with excess stocks.

He expected to be able to repay the utilities with cheap Russian uranium. But the US government, reacting to claims from domestic uranium mining companies that Russian uranium was being dumped in the US placed severe restrictions on Russian uranium imports.

Nuexco could not buy uranium from other parts of the world without driving up the price and suffering substantial losses.

Mr Benton admitted last December the US import restrictions had hurt Nuexco's cash position and cost it substantial profits. The company was blocked from continuing its lucrative practice of importing Russian uranium, taking quick payment from western customers, and then delaying payment to Russia for as long as possible, allowing him to invest the cash.

That policy did not go down well with the Russians and traders suggest Nuexco's business with Russia had been dwindling for some time. "The Russians have learned to do much more of the uranium business for themselves. This won't damage their ability to trade with the west," said one.

In a filing with the US Bankruptcy Court, Mr Benton said he owed \$180m to Tenex, a Moscow-based arm of the Russian Ministry of Atomic Energy; \$70m to China Nuclear Energy Industry Corporation; \$11.7m to Washington Public Power Supply System; and about \$34m to British Nuclear Fuels. BNF said it had paid \$25m in advance to Nuexco for the supply of uranium.

Some traders hoped Mr Benton's financial difficulties would help the spot price of uranium recover from very depressed levels. His problems have been well known in the business for some months and the spot price already has

ticked up from \$9 to \$10 a lb. The uranium industry has been in the doldrums for a long time. Prices peaked at \$45 a lb in 1978, when oil costs were rising sharply and demand for nuclear energy was expected to grow - the only large-scale application of uranium is as a nuclear fuel.

Over-optimistic forecasts of demand contributed to the build-up of nearly 80,000 tonnes of surplus uranium in stocks at power companies in the 1980s.

The market deteriorated further when brokers and other intermediaries were allowed to sell some of this uranium to new consumers. Then Nuexco and other brokers also gained access to uranium stockpiles in the Commonwealth of Independent States, as the new republics became desperate for hard currency earnings.

A great deal of uranium is still sold directly by producers to consumers on long-term contracts, but enough is sold in the free market for the US and

Europe to worry about the market's over-dependence on CIS material. Other countries have followed the US lead and curbed CIS imports.

Consequently, a two-tier price system has developed, with CIS material fetching a lower price.

At today's \$10 a lb, only the lowest-cost mines in Australia and Canada can break even. However, some producers have unbreakable long term contracts to supply utilities at higher prices, even above \$20 a lb. As a result, some producers have given way to the temptation to close mines temporarily and buy uranium in the free market instead.

Nuexco is only one part of Mr Benton's complex and mainly private business empire. Born in Iowa nearly 61 years ago, he worked for the Arthur Andersen accounting firm for nearly 20 years from 1967 before joining Denver mining entrepreneur Mr Robert Adams in 1978.

He formed his Concord holding company in 1982 after Mr Adams died. Last year he claimed Concord, a loose affiliation of about 30 companies in mining, technology, manufacturing and banking, had annual revenues of about \$500m and employed 1,500 worldwide.

Until recently, Mr Benton, his wife and six daughters were considered one of the wealthiest families in Colorado, itself a rich state. He could not prevent some intrusion into his private life after he became part-owner of the Colorado Rockies baseball team.

There were suggestions yesterday that the US baseball strike which cut short a successful season for the Rockies also cut into Mr Benton's cash flow at a difficult time. In his bankruptcy petition, Mr Benton said his assets were worth "in excess of \$100m." But his bankruptcy attorney said: "He has no cash now."

MARGINED FOREIGN EXCHANGE TRADING
Fast, Competitive Quotes 24 Hours
Tel: +44 71 815 0400
Fax: +44 71 329 3919

INVESTORS - TRADERS - CORPORATE TREASURERS
SATQUOTE™ - Your single source for real time quotes.
Futures * Options * Stocks * Forex * News * Via Satellite
LONDON +44 71 329 3377 NEW YORK +212 266 6866 FRANKFURT +49 69 46071

FUTURES & OPTIONS TRADERS
WIR IN EXISTENT COMPETITIVE SERVICE
BERKELEY FUTURES LIMITED
38 DOVEY STREET, LONDON W1X 3RE
TEL: 0171 629 1133 FAX: 0171 495 0022

FOR TRADERS ON THE MOVE
Watch the markets move with the screen in your pocket that receives Currency, Futures, Indices and News 24 hours a day. For your 7 day free trial, call Futures Pager Ltd on 071-858 9400 now.
FUTURES PAGER

TAX-FREE SPECULATION IN FUTURES
To obtain your free guide to how your Financial Brokerage can help you, call Michael Murray of Sun Finance on 071-826 7233 or write to: 1 G. Index Plc, 1 Warwick Row, London SW1E 5TR

GMS FutureView
Real-time worldwide coverage of Futures/Options prices. Softs, Agricultural, Financial, Energy, Metals, FX, News, Charting, PC windows system containing years of useful history & graphs, in one value for money package. Available in the UK and Europe via satellite.
Telephone: David Bray on (London) 01753 222 0222 Fax: 01753 222 0222

Market-Eye
Professional financial information direct to your PC for a low fixed cost.
FREEPHONE 0800 321 321

Currency or Bond Fax - FREE 2 week trial
also daily gold and silver rates
ask Anne Whitley
Tel: 0171-734 7174
Fax: 0171-439 4966

24HR FC
0171-865 0800
Daily Fax Service
Competitive Rates
Real-time Quotes
Currency, Futures, Options, Bonds, Stocks, Commodities
CURRENCY MANAGEMENT CORPORATION PLC • TELE: 01753 222 0222 FAX: 01753 222 0222

TREND ANALYSIS LTD
Daily Analysis & Trading Recommendations by Fax
FOREX • METALS • BONDS • COMMODITIES
For FREE TRIAL Phone 01962 879764
Fax 01424 774067

PHILIP LIP ALXANDER
SECURITIES AND FUTURES LIMITED
Veritas House, 125 Finsbury Pavement, London EC2A 1EP
Tel: (44) 171 471 9730 Fax: (44) 171 471 9719

INDEXIA Real-time Technical Analysis
Software
Tel: (01442) 873015 Fax: (01442) 876824

NEWS: UK

ICI warns on electricity price framework

By David Lascelles,
Resources Editor

Imperial Chemical Industries, the UK's largest electricity consumer, threatened yesterday to press for a monopoly inquiry into the electricity supply industry unless prices start to fall this year.

ICI said the mishandling of the privatisation of electricity industry was costing consumers £1.5bn (£2.38bn) a year because of insufficient competition and weak regulation.

It has claimed in the past that electricity prices for large users have

risen by 50 per cent since the 1990 sell-off.

"Something is out of kilter when a generator like National Power can lose 30 per cent of its market share since privatisation and yet still increase its profit by 60 per cent," said Mr Bryan Bullock, power services manager at ICI Chlor Chemicals in Runcorn, Cheshire.

"It is now vital to get the industry back into the situation where customers can get a fair, competitive deal on prices in the way they can in any normal market place," he added.

If there were no signs of a satisfac-

tory solution during 1995, ICI would have no alternative but to press hard for a Monopolies and Mergers Commission investigation leading to the restructuring of the electricity supply industry, he told an energy conference in London.

This is the second time ICI has raised the issue. Last year a similar call led to Professor Stephen Littlechild, the electricity industry regulator, obtaining a voluntary agreement from electricity generators to "cap" prices in the wholesale market. But industry now claims that the cap has not worked.

Mr Brian Wilson, Labour industry spokesman, said Mr Bullock's comments were "a powerful indictment from an authoritative source, of the true cost of privatisation".

He added: "Prime minister John Major's highly dubious boasts about the benefits which electricity privatisation has brought will sound even less convincing when compared with the testimony of ICI."

The large generators have blamed recent increases in electricity prices on shortages of generating capacity caused by unexpected station shut-downs.

Prof Littlechild yesterday authorised a partial relaxation in the operating standards of the National Grid in order to reduce electricity costs by about £20m a year.

The move is part of his attempt to bring down the cost of electricity in the pool - the wholesale market which has been criticised for producing high and volatile prices.

A trial period for the new standards will begin later this year. Prof Littlechild said there would be a small increase in risk, but present standards could be resumed at a moment's notice if need be.

Leadership of Sinn Féin to face pressure

By John Murray Brown
in Dublin

Sinn Féin, the IRA's political wing, holds its Ard Fheis or national convention today, when the party leadership is expected to come under growing rank and file pressure to secure further British concessions in the Northern Ireland peace process.

The two-day meeting, which Sinn Féin president Gerry Adams will address this afternoon is expected to give a formal response to proposals for all party talks published this week by the London and Dublin governments.

Mr Adams, while welcoming the joint "Framework for Agreement," says that the problem is not the "governance" of Northern Ireland but its very "existence."

British officials hope the document's concessions to nationalism will encourage the IRA to move on the arms issue. Without substantial progress, the government believes it will be difficult to persuade unionists to participate in the all party talks process.

In a related development, the Irish government yesterday tried to win over unionists in the latest session of Dublin's Forum for Peace and Reconciliation.

In a debate on the obstacles to reconciliation between Catholics and Protestants, Irish politicians agreed on the need to end the Catholic Angelus on RTE, state radio and television. On divorce and abortion legislation there was also consensus. However one Irish party leader suggested the national

The Irish government is sending out the latest UK-Irish peace proposals for Northern Ireland on the internet, the worldwide computer network.

The foreign ministry said the framework document launched by Britain and Ireland on Wednesday would be distributed on the Net so any of the world's 70m Irish-descended people could read it. It is also printing 120,000 copies to be distributed at libraries, post offices and schools free of charge.

anthem - the republican-influenced "Soldier's Song" - could be replaced by "A Nation Once Again."

The proposal by Bertie Ahern, leader of the main opposition Fianna Fáil party, is hardly likely to appeal to unionists, after the publication of a framework document which they say subverts the union and leads to Irish unity.

In the wake of a row in Belfast about the playing of the British national anthem at Queen's University, Progressive Democrat leader Mary Harney said it would be appropriate to end the use of the Soldier's Song at sporting events where teams are picked on an all-Ireland basis.

A multi-million pound European Commission package of funding for Northern Ireland is expected to be announced next week. The money will be on top of the £240m peace dividend set up by former Commission President Jacques Delors and on top of the £600m five-year programme of EC expenditure in the province.

Major again rejects devolution

By James Buxton,
Scottish Correspondent

Mr John Major last night made an impassioned plea to Scots to reject the idea of a devolved parliament for Scotland and preserve the union of the UK.

He argued that there was no contradiction between his opposition to devolution for Scotland and the government's proposals for a devolved assembly for Northern Ireland.

In a speech to Scottish Conservatives in Glasgow he warned that the tax raising powers Labour intends to establish in Edinburgh if it wins the next general election could eventually lead to Scotland becoming independent.

"If the people of Scotland ever decided they wished to leave the UK they would do so. We could not stop them." But he would argue that it was not in their interests to do so.

Mr Major insisted that the cases of devolution for Scotland and Northern Ireland were completely different. Northern Ireland was riven by a deep sectarian divide, with 250 years of suspicion followed by 25 years of killing. Scotland had had three centuries of peace, prosperity and growing influence in the world.

Legislation for Northern Ireland was largely enacted by order in council, and there was only the most limited degree of local government in Northern Ireland.

Mr Major said a significant minority of people in Northern Ireland wanted to become part of another foreign country, Ireland. "In that context the idea of an assembly offers the chance of stability and harmony." But in Scotland separatists saw a Scottish parliament as a means to achieve their ultimate goal of complete independence.



The prime minister is shown round an NEC plant in Livingston, Scotland, yesterday. Photograph by WireImage

A government defeat in the Commons over European Union policy edged closer yesterday after more than half of the Conservative Euro-rebels threatened to withdraw support from their party in a vote next week.

With the Tory majority in the Commons under growing pressure over policies on Europe and Ireland, most of the nine Euro-rebel MPs said they would either vote against the government or abstain on a motion to be put forward by Labour next Wednesday. Six of the nine showed little inclination to support the government and one, Sir Richard Body, said "in all probability" he would vote with Labour.

The proposed Northern Ireland assembly would not have the tax raising powers proposed for a Scottish parliament.

The prime minister said the case against devolution was both emotional and pragmatic. He did not want to see the

Scottish people "sleepwalking into a decision which would damage and weaken Scotland."

A Scottish parliament would have powers to raise an extra 3p in the pound on income tax, which would be 25 for every family. But, he said, "like Oliver Twist it would ask for

more. When Scotland wanted more expenditure the Westminster parliament would probably say: "Yes - but you raise it in Scotland."

A Scottish parliament, he feared, would "come into conflict with Westminster" over taxation and spending.

Part-time threat to profit schemes

By Andrew Bolger,
Employment Correspondent

A move to give part-time employees the same rights as full-timers threatens a significant number of profit-related pay schemes.

The schemes at risk from a recent amendment to the finance bill going through parliament are in businesses - such as high street retailers and fast-food outlets - which employ a large proportion of part-time staff and replace part of salaries with profit-related pay.

Mr Peter Duboff, a chartered accountant specialising in pay schemes, says about 100,000 of the more than 2m employees who receive profit-related pay are likely to be affected.

Under existing legislation, 20 per cent of a salary, up to £4,000 (£6,380) per year, can be paid tax-free. Typically an employee's salary might be reduced by 20 per cent and be replaced by 17.18 per cent of the salary paid tax-free.

Tax relief means that although gross pay is reduced, the employee is likely to be 3-4 per cent better off in terms of net take-home pay and has the expectation of receiving a further lump-sum payment after the end of the year, depending upon the employer's profits.

This works well for employee and employer only where employees pay tax. To register and maintain a salary substitution scheme, 80 per cent of employees must agree to participate. Part-timers who work fewer than 20 hours per week can be excluded from the 80 per cent test.

As a result of the proposed change to the finance bill, employers would no longer be able to exclude this category of staff from being eligible to join their schemes. Where part-timers make up more than 20 per cent of staff, it is likely they will not agree to participate, so existing schemes will not be able to be registered.

Sharp improvement seen in non-EU trade deficit

By Gillian Tett,
Economics Staff

Britain's trade deficit with countries outside the European Union improved sharply in January, official figures yesterday showed.

But although the monthly improvement heartened the City, which had been alarmed by a dramatic increase in the deficit in December, the figures pointed to a significant underlying shift in the trade trend.

After a year in which imports had remained relatively subdued, imports appear to have risen significantly in recent months. Consequently, the Central Statistical Office warned that the underlying trade trend was worsening - in spite of the monthly improvement.

"The trend in the visible balance may now indicate a widening of the deficit," the CSO said - a comment in sharp contrast to recent months, when the trend in the deficit has generally been downwards. Overall, the data showed the UK's trade deficit with non-EU countries in January was a seasonally adjusted £303m (£478.74m).

This was roughly the same level as in the months between July and November last year, after taking into account the fact all the trade figures have now been revised to exclude Sweden, Finland and Austria. Although these countries used to be included in non-EU trade, the CSO excluded them from the data for the first time yesterday, following these countries' admission into the EU.

However, January's trade deficit was considerably better than December's deficit, which had surged to £913m.

The CSO itself yesterday said that most of this unexpected swing in December had been due to the impact of an erratic import of works of art. Consequently, the value of imports fell back between December and January, as the impact of this sale fell out of the figures. Nevertheless, in spite of this monthly swing, the CSO pointed out that the underlying trend still suggests that imports across a range of sectors were now rising. This trend is broadly in line with City expectations.

| VALUE OF TRADE WITH NON-EU COUNTRIES | | | | | |
|---|---------|---------|---------|---------|---------|
| Balance of payments basis, seasonally adjusted £m | | | | | |
| | Exports | Imports | Balance | Exports | Imports |
| 1993 | 50,540 | 60,825 | -10,285 | 51,722 | 61,450 |
| 1994 | 57,701 | 62,486 | -4,785 | 58,882 | 64,445 |
| 1994 Q1 | 13,814 | 15,748 | -1,934 | 12,620 | 15,540 |
| Q2 | 14,285 | 15,344 | -1,059 | 12,307 | 13,380 |
| Q3 | 14,878 | 15,778 | -899 | 12,734 | 13,525 |
| Q4 | 14,656 | 16,481 | -1,825 | 12,758 | 13,995 |
| July | 4,886 | 5,272 | -387 | 4,422 | 4,695 |
| August | 4,850 | 5,274 | -424 | 4,433 | 4,587 |
| September | 4,861 | 5,176 | -315 | 4,456 | 4,479 |
| October | 4,853 | 5,138 | -285 | 4,394 | 4,507 |
| November | 5,072 | 5,384 | -312 | 4,412 | 4,582 |
| December | 4,761 | 5,874 | -1,113 | 4,107 | 4,698 |
| 1995 | | | | | |
| January | 4,941 | 5,244 | -303 | 4,559 | 4,858 |

Defined as ships, aircraft, passenger ships and other vessels. Excludes EU.

Britain's trade deficit with countries outside the European Union improved sharply in January, official figures yesterday showed.

But although the monthly improvement heartened the City, which had been alarmed by a dramatic increase in the deficit in December, the figures pointed to a significant underlying shift in the trade trend.

After a year in which imports had remained relatively subdued, imports appear to have risen significantly in recent months. Consequently, the Central Statistical Office warned that the underlying trade trend was worsening - in spite of the monthly improvement.

"The trend in the visible balance may now indicate a widening of the deficit," the CSO said - a comment in sharp contrast to recent months, when the trend in the deficit has generally been downwards. Overall, the data showed the UK's trade deficit with non-EU countries in January was a seasonally adjusted £303m (£478.74m).

Farmers to have direct contracts with supermarket

By James Harding

Supermarket chain Tesco has become the first UK food retailer to introduce direct producer contracts with farmers.

Under the scheme launched yesterday, Tesco will detail production demands in advance to farmers and promise to buy a fixed quantity of fresh produce at a guaranteed price.

Producer Contracts, as the programme which goes on trial this summer is called, marks the closer involvement of retailers in production spreading into the agricultural sector.

The initiative will be tested in the UK this season with four of Tesco's suppliers on a limited range of fresh produce. If the trial proves a success, Tesco, which buys more than 250m worth of fresh produce per year and 250m worth of British farm produce, plans to expand the scheme. Within three years, over half Tesco's fruit and vegetables could be bought under producer contract.

Tesco also says that if suc-

cessful the scheme could be rolled out to include farmers in Europe.

Within a Tesco producer contract, growers will make an agreement for a volume of produce each season, broken down to volumes delivered each week. This will be about 85 per cent of their programme for the vegetable.

Tesco will guarantee a constant minimum price for the produce following discussions with the grower. If the retail price rises, Tesco has agreed to arrange a profit share with producers. Whatever happens to the market price, however, Tesco will still pay the agreed minimum.

"If the price falls, Tesco has the exposure and we don't lose out at all. We've got security," said Mr Mick Rediff of Manor Farm Packers, which supplies Tesco with 75 per cent of its white cabbages at the height of the English season.

The guaranteed minimum price is projected to be slightly below the market average, giving Tesco both stability and a small reduction in costs.

UK NEWS DIGEST

US institutional investors 'set to flex muscle'

US institutional investors, who are much more likely to vote their shares than their UK counterparts, are threatening to determine some of Britain's most contentious corporate governance issues, a leading UK pension fund warned yesterday.

"The Americans are coming," said Mr Graham Allen, investment manager at Imperial Chemical Industries' £4.6bn pension fund.

Speaking at the annual investment conference of the National Association of Pension Funds, Mr Allen said: "If we are not careful, UK pension funds are in grave danger of discovering that, through their inertia, a small minority of US investors are determining the outcome of contentious issues within the companies in which they are invested."

He cited as an example of future trends the recent ousting of Mr Maurice Saatchi, chairman of the advertising and marketing group Saatchi & Saatchi, which was engineered by the company's US shareholders.

The percentage of association members voting all their shares in 1993 rose to 25 per cent, up from 20 per cent in 1990, while the percentage who do not vote at all stayed broadly unchanged at 24 per cent. Because more funds were contained in the 1993 figures, the propensity to vote is clearly on the rise, he said. Norma Cohen

Services between London and Paris have typically been 75 to 80 per cent full while trains between London and Brussels have been less than half full. Prices will start at £79 for an Apex weekend standard class return to Brussels and £84 to Paris provided a Saturday night stopover is made. These tickets must be bought at least 14 days in advance.

A new weekend return, which can be bought up to 30 minutes before departure, will be offered at £125. Senior citizens with a Rail Europe Senior card will be able to buy standard return tickets costing £104 to Paris and £99 to Brussels while youth returns for people under 26 years will be available at £84 and £79 respectively. Charles Batchelor

Film studio project plan

The establishment of a film studio to rival Pinewood and Shepperton, the UK's two largest studios, is planned by Millennium Group, an offshore company registered in the British Virgin Islands, with financial backing from Malaysia.

The company has an option to purchase the Levensden Aerodrome from Rolls Royce plc, the aerospace company, for about £40m to develop a film and TV studio production complex.

Levensden Aerodrome, on 286 acres of land near Watford, was converted into film studios by Eon Productions last year for the new James Bond film GoldenEye, which is currently in production, as both Pinewood and Shepperton were fully booked. The proposed 600,000 sq ft development, Third Millennium Studios, would serve as a permanent base for Eon Productions and James Bond films. Scheherazade Daneshkhu

3m register in power sale

Share the power, urges the advertisement for the £4m sale of shares in the UK's electricity generators. Private investors seeking to follow that advice have until high noon on Wednesday. Already, more than 3m people have registered an interest in taking National Power and PowerGen shares off the government's hands.



But regulatory and political risks are casting clouds over the issue. Professor Stephen Littlechild, the electricity regulator, obviously is coming under intense pressure to take a tougher line on the privatised utilities.

The generators' failure to make substantial progress on disposing of 6,000MW of generating capacity could be used as an excuse to refer them to the Monopolies and Mergers Commission next year.

The political risk is intensifying because the Labour party has gained support for its promise to tax utilities, and is likely to toughen the regulations if it wins the next election. Peggy Hollinger

Rail union loses court bid

Britain's RMT rail union yesterday failed in its High Court bid for judicial review of government plans to privatise Railtrack.

The state-owned body responsible for track, signalling and stations. Lawyers for the union, which has more than 45,000 members - some 4,500 employed by Railtrack - argued that the government has acted outside its powers, contrary to domestic and European law. Mr Justice Dyson ruled the government had not acted unlawfully and there was, therefore, no arguable case to go to a full hearing. PA News

Grey years loom for the famous final salary pension

Norma Cohen on financial problems which could lie ahead for Britain's retirees

The classic "defined benefit" pension, which pays each worker a portion of final salary after retirement, shows signs of fading from the British landscape.

Final salary pensions have been a mainstay of remuneration packages for workers and senior management in Britain's biggest companies since the end of the second world war, but a handful of pension schemes go back even further.

They have spawned an entire support industry of actuaries, consultants and fund managers, all of whom congregate annually at Eastbourne at the investment conference of the National Association of Pension Funds (NAPF) to discuss how they invest the piles of assets which generate the cash needed to pay pensions.

For years, employers have been

threatening to abandon "final salary" provision each time changes in either tax advantages or regulations have made their administration more complex. But NAPF data shows that not a single big employer has chosen to abandon final salary pensions.

But now, a proposed law requiring employers to have enough assets to meet the promises they make is giving them pause for thought. Moreover, there is the widespread view that the go-go years of the 1980s which led to fantastic returns on UK equities may have come to an end.

Those employers who have been able to finance their pensions for years without having to invest a penny of their own cash are now

having to pay up. Earlier this week, Imperial Chemical Industries announced its pension scheme was £188m short of what it needs to meet all its obligations to workers and that it will have to add that cash over the next few years.

Many of the representatives of large industrial pension schemes attending the Eastbourne conference said their boards of directors were at least discussing whether a change was necessary. The most heated debate of the conference was about exactly how much the government's proposed Minimum Solvency Requirement (MSR) would cost employers.

Mr Richard Laphorne, finance director at British Aerospace, calcu-

lated that even a scheme whose assets exceeded its liabilities by 15 per cent faced a 38 per cent chance of falling below the requirement at some time. That could prompt the employer to add significant amounts of cash, in the worst cases, within one year.

Although the government has gone to great lengths to explain how its policy would work - bolstered by the explanations of leading actuaries - employers are terrified.

Mr Laphorne also articulated one of the home truths of pension provision that many employers have been reluctant to talk about. "The UK has probably enjoyed a low cost of pensions for far too long," he said, not-

ing that in 1993, non-wage costs were only 27 per cent of total labour costs in the UK compared with 30 per cent in the US and 45 per cent in Holland, Germany and France.

Not only have employers not had to contribute to their employees' pensions, the pools of pension assets have been used in many cases to sweeten redundancy programmes by offering early retirement benefits to sacked workers.

The benefits of these redundancy plans have had a salutary effect on the profit and loss accounts of many employers.

If employers abandon these schemes, it is clear they will lose some flexibility. However, faced with the prospect of far duller investment returns for the foreseeable future,

employers are now finally contemplating a change.

Instead of pension payments based on final salary, employees will earn "money-purchase" pensions whose value reflects the amount of cash both the employee and employer have contributed over time as well as the investment returns.

The pensions manager at a large Midlands-based manufacturer, who asked that his company not be named, said: "We will probably be setting up a new, defined contribution scheme for new workers." The employees had not yet been told, he said.

"In 15 years' time, we will be facing a time bomb," he said, explaining that new workers will realise their pension benefits fall far short of what they are likely to need in old age.

DTI ruling makes £275m orphan assets available to shareholders United Friendly shares surge

By Patrick Harverson

Shares of leading life assurance companies surged yesterday after the government approved plans by United Friendly to restructure its long-term life funds so that millions of pounds in surplus funds can be distributed to shareholders.

The group's shares soared 92p to 605p and other big gains were made by Britannic Assurance, up 71p to 589p, and East-Sea Group, up 89p to 389p. Their business and structure are most comparable to United Friendly's.

United Friendly is the second life insurer to be allowed to transfer some of the profits within its fund to shareholders. In June 1992, London &

Manchester received approval from the Department of Trade and Industry to offer shareholders access to surpluses in its with-profits life funds.

The London & Manchester ruling was meant to settle the dispute over whether fund surpluses belonged to policyholders or shareholders, but the long delay in the DTI granting a second life assurance company similar approval ensured that doubts remained over the ownership of so-called "orphan assets".

Yesterday, industry analysts said the DTI's agreement with United Friendly greatly increased the likelihood that shareholders of other life assurance companies would gain access to orphan assets. Speculation that several

leading life companies would seek approval to release surplus funds to shareholders prompted a rush to buy life assurance stocks. Analysts estimated that orphan assets could total as much as £1.7m at Britannic and £260m at Refuge. The shares of composite insurance companies with sizeable life funds also rose.

Based upon the DTI's agreement with United Friendly, orphan assets are deemed to be the surpluses on life funds above and beyond assets which have been attributed to policyholders to meet their "reasonable" expectations. In United Friendly's case, the orphan assets available to shareholders represented £275m of its more than £2bn life fund.

That money, however, will not be paid directly to shareholders. The £275m will be kept in the fund and shareholders will receive a normalised return on it, probably in the form of a higher dividend. As one analyst said: "United Friendly's dividend could double on the back of this."

Under the deal with the DTI, shareholders previously denied access to orphan assets will now have access to 10 per cent of the excess funds from the company's with-profits business. The remaining 90 per cent will be distributed to policyholders.

Separately, United Friendly said that any compensation made in relation to the mis-selling of pensions would be paid from shareholders' assets. See Lex

Campari to launch rescue rights issue

By Geoff Dyer

Campari International, the sportswear and leisure company which has had its shares suspended since early January, has said it is "highly likely" to launch a rescue rights issue.

The news emerged yesterday as the company announced a sweeping reorganisation of senior management, with the appointment of Mr. Pelham Allen as chairman and chief executive.

Mr. Allen is the vice chairman of FW Morgan - a timber importer and distributor based in south Wales - and has been advising the board on the restructuring.

Mr. Christopher Cheng, the former chairman, and Mr. Kit Mansell, the former chief executive, will remain as non-executive directors.

Mr. David Palmer, managing director, is leaving the company after only taking up the post in August. He joined Campari as finance director in 1993.

Mr. Palmer will continue to advise the board until the end of March when the restructuring is expected to have been completed. "It is highly likely that there will be a rights issue in the next two or three weeks," he said. The company refused to give any more details of the restructuring.

In the six months to June 94, Campari reported a pre-tax loss of £3.96m, with a 13 per cent drop in sales, following a loss of £5.61m in the previous year. The company expects to take a restructuring charge of about £3.7m in the second half.

Campari requested on January 10 that its shares be suspended pending agreement on restructuring proposals.

Mr. Palmer said he was leaving because the reorganisation meant that the group did not need a UK-based managing director. The 30 redundancies planned in the UK will leave only a sales operation.

Distribution has been centralised in the Netherlands and the UK warehouse closed down. The finance department and the information technology function are also being moved to the Netherlands and the group's design activities will be shifted to Germany.

Hongkong camp could get half of Trafalgar

By David Wighton

More than half of Trafalgar House's share capital could be in the hands of Hongkong Land and the two companies' advisers if the conglomerate's £1.2bn bid for Northern Electric is successful.

Swiss Bank Corporation, adviser to Trafalgar House, could be left with convertible shares representing 14 per cent of the fully diluted equity after underwriting the final offer.

A further 1 per cent could be held by Robert Fleming, adviser to Hongkong Land, including shares owned by the bank's fund management arm.

Hongkong Land, which currently owns 26 per cent of Trafalgar's ordinary shares, could be left with a holding of 32 per cent, assuming full conversion of preference shares.

Trafalgar's final offer is being funded partly by a £750m issue of convertible preference

shares. Hongkong Land, SBC and Fleming are committed to buying the bulk of these at 85p a share to the extent that Northern shareholders opt for the cash alternative. Since this is currently higher than the paper offer, most Northern investors are likely to opt for cash.

The underwriting is split between Hongkong Land (the first £215m), SBC (£200m), Fleming (£125m), UBS (£100m) and Cazenove (£50m). It is thought that very little has been passed on to sub-underwriters since the convertibles are trading 5p below the underwritten price.

The underwriters are currently showing a notional paper loss of about £25m, though they stand to receive underwriting fees of more than £30m.

They argue that the current convertible price has been hit by Trafalgar's profit warning

and would rise if the bid succeeds.

It would not be the first time that SBC ended up owning a large stake in a client linked to Jardine Matheson.

In December, the flotation of Matheson Lloyd's investment Trust flopped leaving SBC with 45 per cent of the shares. They closed yesterday at 83p, including the warrants, compared with an issue price of 100p.

The trust's Lloyd's adviser is a joint venture between SBC and JMB, which, like Hongkong Land, is controlled by Jardine Matheson.

On Thursday, the day the final offer was announced, Robert Fleming's investment management arm bought 1.1m Trafalgar convertibles, increasing its holding of the preference shares to 8.9 per cent. It also bought 1.25m ordinary shares taking its stake to 4.24 per cent.

Changes at Clinical Computing

By Paul Taylor

Clinical Computing, the medical software group which came to the market a year ago, yesterday reorganised its senior management.

The company, whose shares were floated at 135p but which closed yesterday unchanged at their 12-month low of 60p, said Mr. Michael Gordon, one of the co-founders and formerly managing director, will be replaced by Mr. Jeremy Woon as executive chairman.

Mr. Woon, appointed chief executive in January last year ahead of the flotation, will focus on developing company strategy, strengthening the US operations and building third-party technological and commercial relationships.

Mr. Gordon will remain a non-executive director and will become chairman of a recently established technical research subsidiary.

Mr. David Main, who became finance director in September, becomes managing director. He will retain responsibilities for the company's financial operations and focus on building Clinical's UK operations and broadening its commercial relationships within the National Health Service.

Verity doubles to £909,000 and promises final pay-out

By Heather Davidson

Verity Group, the manufacturer and distributor of loudspeakers, hi-fi and percussion instruments, yesterday announced interim profits more than doubled to £909,000.

The company, which obtained a full listing in 1993, intends to recommend a final dividend when the full-year results are announced - the last distribution was in 1988.

The pre-tax figure for the six months to December 31, up from £444,000 last time, included a £215,000 gain on the sale of Touchwood Industries. Last year's interim result saw Verity - formerly known as Wharfedale - return to profit after five years.

Group turnover was 30 per cent ahead at £15.1m (£11.6m) and earnings per share rose to 0.8p (0.2p).

Verity caused reverberations in the drumming world in December when it acquired Premier Percussion, drum kit maker to bands as diverse as Iron Maiden, Joe Loss and the Coldstream Guards. Premier had been bought out by its management from Yamaha of Japan only two years before. The cash element and



Farad Azima: expects Premier Percussion to drum up solid profit

expenses of the £1.85m deal were financed by a £1.3m rights issue last month.

Mr. Farad Azima, chief executive, said he expected Premier to contribute "solid profits" to the second half results.

Verity recently entered into an innovation agreement with the Defence Research Agency to develop flat speaker technology for domestic applications, as one of only two licensees worldwide.

M&G to cut staff in switch to unified computer system

By Nicholas Denton

M&G Group, the fund management company, is to introduce a new computer system over the next three years at a cost of £20m and with the loss of more than 70 jobs.

One unified system will replace 14 different computer networks, each dealing with particular financial products such as pension policies, personal equity plans or unit trusts.

The new system will remove the need for staff to spend time

navigating between different computer programmes. Having all information on a customer instantly available will also allow staff to sell additional products.

M&G is to displace with 70 temporary staff, and expects some impact on the number of permanent employees. Some staff will be moved to deal directly with customers.

The cuts will come out of 550 administration and information technology staff at M&G's headquarters in Cheltenham. The company is committed

to spending £2m in the current financial year as part of the £20m total to redesign computer systems and infrastructure.

It is paying IBM Consulting for the first research phase of the operation and is now selecting contractors.

M&G expects to enjoy returns from the investment after three years. The company has acted partly because of the considerable growth in personal equity plans and other new business experienced over the last 18 months.

Bourne End venture buys Marlowes

By Simon London

Bourne End Properties has bought its major joint venture with the Whitehall Fund, an investment fund managed by Goldman Sachs, to buy the Marlowes Shopping Centre in Hemel Hempstead, Hertfordshire, for £45m.

The centre is being sold by the Church Commissioners, the Church of England financing body. Earlier this month the Commissioners said they intended to sell the much larger MetroCentre shopping complex in the north-east of England and reduce their overall exposure to property.

Bourne End is investing £2.25m for a 15 per cent stake in a new off-balance sheet company which has been formed to buy the Marlowes Centre.

The Whitehall Fund will own the remainder of the equity in the new company, with debt finance coming from a £25m five-year fixed-rate term loan from GE Capital.

Marlowes produced rental income of £3.8m, suggesting a yield of about 8 per cent at the purchase price. However, 15 per cent of the centre is vacant and rental income will rise to £4.5m if tenants can be found for the empty space.

In November, Bourne End formed a similar joint venture with the Whitehall Fund to buy a £71m portfolio of office and retail properties.

Mr. David Roberts, property director of Bourne End, said the company was prepared to do more joint ventures with the Whitehall Fund so long as the value of the assets held in this way did not exceed the value of Bourne End's main portfolio.

Speaking a different language

Mr. Eric Nicoli, chief executive of United Biscuits, has a problem which he hopes is only short-term: at 340p, UB's share price is almost back to where it was when he took charge four years ago.

One solution, understandably, he does not wish to embrace. UB's name crops up regularly in City takeover rumours. A bid would enliven the share price.

Although the rumours are annoying, they are not distressing, he says. "The best way for us to proceed is to run our business brilliantly. Then it's up to someone else to see if they can run it better."

Certainly, investors have had reason to be cool towards UB's past financial performance. From 1989 to 1994 (based on City forecasts), UB's earnings per share fell 15 per cent, acquisitions and rationalisation of the food manufacturing sector rose almost 30 per cent. UB's dividends rose 11 per cent, but the sector's rose some 35 per cent.

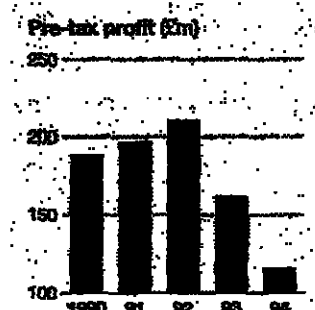
By standard measures, UB's shares are not seriously underpriced. They are trading on about 14 times forecast 1994 earnings with a gross dividend of 5.4 per cent. But Mr. Nicoli argues "a very distorted view of our business is developing which is not shared by informed investors." The share price gives no credit, he says, for the future value shareholders should receive now that UB has achieved, or is about to achieve, the five strategic goals it set itself five years ago.

These were to develop its core McVitie's biscuit and KP snack-food business in the UK, expand in continental Europe, rebuild Keebler, its US biscuit and snack business, establish an Asia Pacific base, and revitalise Ross Young, its UK frozen food business.

Mr. Nicoli admits shareholders will have to wait another year before they begin to see the benefits flowing strongly to the dividend cheques. The consensus City forecast is for 1995 earnings and dividend growth of only 8 and 4 per cent.

United Biscuits' management continues to test shareholders' patience. Roderick Oram reports

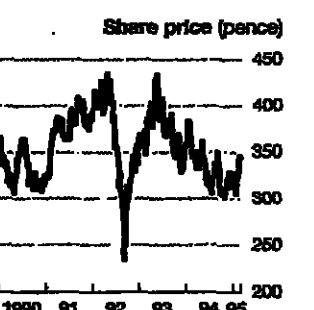
United Biscuits



Source: Company accounts



Eric Nicoli: chief executive



Moreover, UB remains a heavy consumer of cash because of investment in plant, acquisitions and rationalisation of its markets. The outflow before financing was about £100m last year, pushing net debt to about £450m and gearing to 85 per cent, one analyst estimates.

"They will have to pay the whole of 1995's dividend out of borrowings," adds Ms. Arabella Cecil, Credit Lyonnais' Laing's food analyst. She is so pessimistic about UB's competitive pressures and weak cash generation that she is not even sure it is a bid target.

Others believe the pay-off will come, but it is better measured by complementary valuation methods common to branded consumer goods producers. One such is stock market capitalisation as a percentage of turnover, where turnover is a measure of the company's muscle in its product markets. On that basis, UB is valued at only half its annual turnover. Companies with weaker brands and higher costs than UB routinely change owners at much more than one times turnover.

"The market's preoccupation with earnings multiples often leads to value anomalies being created," says Mr. Alan Eskridge, food analyst at NatWest Securities. Tomkins' purchase of RHM, Tesco's of Wm Low and, more pertinent to UB, Nestlé's acquisition of Rowntree were all examples of buyers finding value where shareholders had not, he says.

Innovation and marketing, its low-cost production and its geographical spread, it is also unusual for playing both ends of its markets: it uses its well-known brands at the premium end while at the commodity end it uses its efficient plants to produce own-label goods for retailers.

Mr. Nicoli says these principles are paying off. McVitie's remains one of the highest-margin food businesses in the UK, despite a tough few years. Its trading margin has fallen some four percentage points from just under 16 per cent. Some of the decline reflects UB's decision to spend more on marketing to build the brand. A sharp rise in raw material costs such as packaging have not been fully recovered in higher selling prices. But UB believes greater efficiency and product innovation will make up much of the difference.

It is crisp and snack business, KP, has had an even harder time thanks to overcapacity in the industry and supermarket price wars. But those adverse trends are showing signs of reversing in the UK, while KP continues to expand on the continent. UB and PepsiCo share leadership of the European snack-foods market with 23 per cent each.

In the US, "we've started again with Keebler." Second in the US biscuit market with only an 18 per cent share against Nabisco's 55 per cent, Keebler has had to completely overhaul production and distribution. Mr. Nicoli says the benefits will begin to show at the end of this year and hit full

throttle a year later. As planned five years ago, UB has reduced reliance on the UK and US, whose combined share of the group's sales has fallen from 56 to 78 per cent and share of trading profits from 98 to 79 per cent. Meanwhile, continental Europe has gone from 3 per cent to about 15 per cent of both measures and a promising base has been built in Australia and China.

Lastly, even Ross Young, the legacy of McVitie's ill-starred 1980s diversifications, has responded to treatment. "Two years ago people were telling us Ross Young was virtually worthless," Mr. Nicoli says. Now, with growing shares of its chosen market segments such as pizza, seafood and deserts, it contributed £16m to interim group trading profits on sales of £294m.

Mr. Nicoli and his management team, most of them still in their 40s, are keen to take these achievements to their shareholders. "We've never resisted the value debate."

Unfortunately, management tends to talk about value in terms of its skills in branding, marketing, manufacturing and innovation. Shareholders want to hear about share price, earnings per share and dividends. Within two years, management's definition of value could begin to translate into something financial shareholders will appreciate. But in the meantime, Mr. Nicoli and his colleagues run the risk shareholders will lose patience and sell out to a new corporate owner willing to wait for - or accelerate - the pay-off.

RESULTS

| | Turnover (£m) | Pre-tax profit (£m) | EPS (p) | Current dividend (p) | Date of payment | Dividend cover (times) | Total for year | Total last year |
|----------------|------------------|---------------------|---------------|----------------------|-----------------|------------------------|----------------|-----------------|
| Arrol-Johnston | 8 mths to Dec 27 | 17.7 (17.4) | 2.58 (2.54) | 0.57 (0.57) | 0.55 | Apr 19 | 0.76 | 0.81 |
| Barton (TFL) | Yr to Dec 31 | 2.58 (2.5) | 0.22 (0.24) | 31.56 (23.28) | 7.2 | Apr 27 | 2.5 | 0.75 |
| B&A | 6 mths to Oct 31 | 7.94 (6.8) | 0.06 (0.16) | 0.58 (1.68) | 2.5 | May 11 | - | 0.653 |
| Newsweek | 6 mths to Nov 30 | 10.7 (12.7) | 0.84 (0.84) | 5.5 (6.7) | - | Apr 6 | 1 | 3 |
| Verity | 6 mths to Dec 31 | 15.1 (11.6) | 0.80 (0.44) | 0.3 (0.2) | - | - | - | - |
| Wharfedale | Yr to Sept 30 | 1.24 (2.7) | 0.291 (0.073) | 10.4 (2.8) | - | - | - | - |

| | Turnover (£m) | Pre-tax profit (£m) | EPS (p) | Current dividend (p) | Date of payment | Dividend cover (times) | Total for year | Total last year |
|-----------------------------|------------------|---------------------|---------------|----------------------|-----------------|------------------------|----------------|-----------------|
| Investment Trusts | | | | | | | | |
| City of London | Yr to Dec 31 | 148.4 (178.6) | 0.255 (0.133) | 1.13 (0.83) | 2.25 | July 7 | 2 | 9 |
| City of London (High Yield) | | | | | | | | |
| Equity | 6 mths to Dec 31 | 103.84 (105.51) | 0.284 (0.25) | 0.83 (0.83) | 1 | Nov 17 | 1 | 1.4 |
| Equity | Yr to Dec 31 | 151.82 (140.82) | 0.236 (0.257) | 1.12 (0.86) | 1 | Nov 17 | 1 | 1 |
| Equity | 6 mths to Dec 31 | 90.6 (98.9) | 0.489 (0.422) | 1.51 (1.31) | 1 | Nov 7 | 1 | 1.26 |

Dividends shown net. Figures in brackets are for corresponding periods. B&A stock. *For nine months. **For 22.5m profit on Touchwood sale. †First quarterly distribution.

INTERNATIONAL COMPANIES AND FINANCE

Profits at Nordbanken soar 80% to SKr4.82bn

By Christopher Brown-Humes
in Stockholm

Sweden's Nordbanken yesterday reported a record profit for 1994, and a higher profit than any other Swedish bank, just two years after being rescued by the state under the weight of huge losses.

The bank, which is to be privatised later this year, said operating profits rose 80 per cent to SKr4.82bn (\$683m) from SKr2.66bn in 1993. The figure outstripped the SKr4.1bn profit unveiled by Svenska Handelsbanken, one of Nordbanken's main competitors, earlier this week. It also compares with Nordbanken's 1992 deficit of SKr16.6bn, the biggest deficit in Swedish banking history.

The dramatic improvement reflects Nordbanken's acqui-

sition of Gota Bank at the start of last year and the fact that the majority of both banks' problem loans were hived off into separate state-run "bad banks". Nordbanken and Gota were the biggest victims of Sweden's 1992 bank crisis, requiring about SKr60bn in direct state support and guarantees.

Mr Hans Dalborg, Nordbanken president, said the state financial reconstruction had provided the basis for the bank's recovery. But he also highlighted the bank's "very focused strategy" and a 25 per cent cut in staff numbers.

"Our ambition is to become the best retail bank in Sweden. We will concentrate on private people, small and medium-sized business and the public sector," he said.

The bank saw credit losses

halve to SKr2.17bn, or 0.8 per cent of lending, from SKr4.22bn. However, there was a deterioration in the final quarter when the bank made extra provisions to cover its exposure to tenant-owner associations hit by high long-term interest rates.

Nordbanken plans to pay the state a SKr1bn dividend, 66 per cent more than in 1993. The payout corresponds to 33 per cent of net income of SKr3bn.

Mr Dalborg said the bank hoped to achieve similar profits in 1995, with higher credit demand and lower credit losses helping to compensate for a margins squeeze.

Mr Goran Persson, Sweden's Social Democratic finance minister, said earlier this month that the government planned to sell 100 per cent of Nordbanken, but the sell-off was



Mr Hans Dalborg, looking for similar result in 1995

delayed until the second half of the year because of unfavourable market conditions. The sale, which may take place in stages, is expected to raise up to SKr2.2bn.

Meanwhile, Föreningsbanken reported a SKr167m operating loss for 1994, down from SKr2.4bn a year earlier as loan losses fell 46 per cent to SKr2.4bn from SKr4.4bn.

Lower oil prices hurt Japanese oil refiner

By Gerard Baker in Tokyo

Lower oil prices and rising costs produced a sharp fall in pre-tax profits last year at Showa Shell Sekiyu, the Japanese oil refiner and distributor affiliated with Royal Dutch Shell.

In the year to the end of December, parent profits before tax and extraordinary items dropped by 33 per cent on the year before to Y34.6bn (\$254m).

Sales dipped by 3.3 per cent to Y1,400.6bn, the third successive annual decline.

Mr Masao Koiwa, a board director, said retail petrol prices had declined as a result of tougher price competition in a generally sluggish market, requiring the company to trim its wholesale prices. This more than offset a 5 per cent increase in sales by volume, caused by higher demand for oil used in generating electric power.

Last year's hot summer led to a surge in power demand from increased use of air-conditioning systems.

The company managed, however, to complete the process of writing off losses from failed forward exchange contracts. In the early 1990s the company entered into a series of forward US dollar contracts to pay for crude oil and other imports which went badly wrong when the dollar fell against the Japanese yen.

Write-offs for such losses were down from Y23bn the previous year to Y9.4bn in 1994. After-tax profits rose by 41 per cent to Y12.7bn as a result.

The company will pay a dividend for the year of Y10 per share, including a Y1 bonus commemorating the tenth anniversary this year of the merger between Shell Sekiyu and Showa Oil, a spokesman said.

For the current year, Showa Shell forecasts pre-tax profits at Y30bn on sales of Y1,500bn. In August, the company plans a share split in an effort to pass higher profits on to existing shareholders, bringing the number of outstanding shares to 876,850,400.

Profits increase strongly at Comalco and Brambles

By Nikk Tait in Sydney

Two big Australian groups - Comalco, the integrated aluminium producer, and Brambles, the transportation group - yesterday announced substantial profit increases and made bullish predictions for the current trading period.

Comalco's net profit, calculated on a joint venture basis and including its equity in results of consortium companies, rose from A\$96.7m after tax to A\$119.4m (US\$97.9m) in the 1994 calendar year. Revenues were up to A\$2.36bn from A\$2.17bn.

Operating profit after tax, but before allowing for superannuation adjustments and abnormal items, rose to A\$107m from A\$92m.

Comalco, which is controlled

by CRA, said that the advance was largely due to higher metal prices and a turnaround on its offshore rolling operations, and came despite the adverse impact of the stronger Australian dollar.

It suggested that the outlook for aluminium prices remained positive and said it expected production to rise. "Demand is expected to increase in 1995, although not as strongly as in 1994," it added.

The final dividend goes up from 3 cents to 7 cents a share.

Brambles, which has suffered from an expensive diversification in the US waste business, announced an operating profit before abnormal items and tax of A\$140m.3m, up from A\$120.9m a year ago. After abnormal items and tax, the figure

was A\$88.3m, compared with the A\$313.9m loss seen in 1993-94 - largely caused by a A\$377m charge relating to the US waste assets.

Sales in the latest half-year were up by 12.3 per cent at A\$1.44bn. The improved trading profits came from the core Australian interests, Europe, and the non-waste businesses in North America. The interim dividend is two cents higher at 32 cents a share.

In the light of recent speculation, Brambles said that it had ruled out any interest in the A\$8bn sale of the state electricity assets in Victoria, but continued to look at possible investment opportunities being thrown up by the Australian federal government's decision to sell off most of the nation's airports.

Own-account trading plunge hits UBS

By Ian Rodger in Zurich

Union Bank of Switzerland, the country's largest bank, said its net income fell 29 per cent last year to SFr1.6bn (\$1.3bn), mainly because of a 64 per cent plunge in earnings from own-account trading.

However, the bank forecast at its annual press conference a partial profit recovery this year and the directors are recommending that the dividends be maintained.

The bank, which is in the midst of a governance row with its largest shareholder, BK Vision, revealed that it had committed SFr1.5bn to buying its own shares during and after

a proxy battle last autumn.

Mr Robert Studer, chief executive, poured cold water on rumours of an early rapprochement with BK Vision, an investment company controlled by Mr Martin Ebner's B2 financial group. BK Vision is challenging in the courts the decision of a UBS shareholders' meeting last November to convert registered shares into bearer shares.

Mr Studer said UBS was "comfortable" about its legal position and that the board ruled out any negotiation over the UBS share structure or the bank's broad-based strategy.

A group of specialists had been delegated to deal with

the legal issues so that top management could get on with normal business.

UBS had earlier indicated its willingness to negotiate over the size of its board, which Mr Ebner proposed cutting from 23 to nine members last year. The bank announced yesterday that it would propose a reduction to 20 at the next shareholders' meeting in April.

Mr Studer admitted that UBS had "clearly miscalculated" interest rate trends, the main cause of the 64.2 per cent drop in trading revenues to SFr1.04bn. By contrast, net interest income was up 0.9 per cent to SFr3.7bn in spite of squeezed margins and net com-

mission income was up 2.8 per cent to SFr4.16bn.

Operating expenses fell 2 per cent to SFr5.6bn. Provisions for bad loans and value write-downs dropped 20.4 per cent to SFr1.78bn, but remained higher than expected.

A SFr236m provision for the drop in value of its own shares purchased significantly worsened the result.

Total assets at December 31 were SFr326.4bn, 4.9 per cent higher than a year earlier. Shareholders' funds also advanced 4.8 per cent to SFr23.8bn. Return on equity was 7.5 per cent, well below the bank's mid-1990 target of 10 per cent.

Banks agree DM380m KHD rescue plan

By Michael Lindemann
in Bonn

Klöckner-Humboldt-Deutz (KHD), the ailing German engine maker, yesterday said that a group of about 30 banks had agreed to a rescue plan which would give the company extra funds worth about DM380m (\$238m).

The group had been talking to the banks since the end of January when it suddenly reported unexpected losses of DM356m for

1994 and forecast further difficulties until a new engine factory reached break-even in 1997. Shares in KHD rose 50 pfennigs on news of the deal to close at DM99.50, down from a high last year of DM161.50.

The banks, led by Deutsche Bank which holds a 36 per cent stake in KHD, have agreed not to call in the company's debts of about DM1.35bn until at least 1997.

A group of 11 German banks have also agreed to supply fresh loans worth DM207m and will take part in a four-for-

one rights issue at DM75 per share which is expected to raise DM180m.

The overall rescue package, which also includes a capital write-down after the rights issue and the issue of convertible participatory certificates, is worth DM515m.

KHD hopes to produce 65,000 engines at its new plant this year, still well short of the break-even point of 100,000 engines which it does not expect to reach until 1997.

We help Expatriates

Make the most out of working abroad

No matter where in the world you're working, you will want to be kept aware of the opportunities - and the pitfalls - that every expatriate faces. Every month of the year Resident Abroad brings you the latest news, views and practical help on living and working abroad - plus it keeps you in touch with what's happening back home.

Resident Abroad is published by the Financial Times, and draws upon the FT's wealth of information and resources to provide invaluable comment and accurate data on the most important issues facing expatriates today - making Resident Abroad indispensable if you want to stay ahead of the expatriate game.

Make the most of your money

If you check out our in-depth, but easy to read, coverage of the latest investment products, offshore banking, tax advantages, world stock markets, domicile issues and other expatriates' experiences, you will quickly discover why Resident Abroad is essential reading when you live or work abroad.

Make the most of your time

You can also catch up on property prices in the UK as well as peruse features on comparative living costs, motoring, housing, holidays and information on schools for the children. You can discover the customs and cultures of different countries and find ways for you and your family to enjoy your leisure time together. And there's much, much more to enjoy - in every issue.

MAKE THE MOST OF THIS SPECIAL SUBSCRIPTION OFFER

ACT NOW to take advantage of our special subscription offer of two free issues to get you started. Just fill in the coupon, post it to us with your remittance and we will ensure you receive the best reporting for expatriates - on your doorstep - every month for fourteen months. All for the price of twelve.



Don't go away without RA



FREE A-Z FINANCIAL GUIDE

Reply within 14 days and you get the bonus of a free A-Z guide especially written to help you through the financial jargon maze. All the buzz words and technical phrases are explained, enabling you to make the most of the financial sections.

SPECIAL OFFER SUBSCRIPTION ORDER FORM

Please tick the appropriate box below to indicate your subscription rate and payment method.

☐ YES Please send me the next 14 issues of Resident Abroad. All first 2 issues are free. Please also send me my free copy of The Expatriate A-Z guide.

One year subscription (for P+P) ☐ UK £46 ☐ Europe £39

North Africa and Middle East ☐ Australia £41 ☐ America £70

Rest of World ☐ Americas \$45 ☐ Austral \$46

EU VAT at the local rate must be added to the price of the subscription order form VAT has been applied, but should be removed if the order is for a non-VAT registered company.

European companies with EU VAT Reg No (VAT No) must add VAT (VAT No) to the price of the subscription order form.

Please tick the appropriate box below to indicate your subscription rate and payment method.

Please tick the appropriate box below to indicate your subscription rate and payment method.

Please tick the appropriate box below to indicate your subscription rate and payment method.

Please tick the appropriate box below to indicate your subscription rate and payment method.

Please tick the appropriate box below to indicate your subscription rate and payment method.

Please tick the appropriate box below to indicate your subscription rate and payment method.

Please tick the appropriate box below to indicate your subscription rate and payment method.

Please tick the appropriate box below to indicate your subscription rate and payment method.

Please tick the appropriate box below to indicate your subscription rate and payment method.

Please tick the appropriate box below to indicate your subscription rate and payment method.

Please tick the appropriate box below to indicate your subscription rate and payment method.

Please tick the appropriate box below to indicate your subscription rate and payment method.

Please tick the appropriate box below to indicate your subscription rate and payment method.

Please tick the appropriate box below to indicate your subscription rate and payment method.

Please tick the appropriate box below to indicate your subscription rate and payment method.

Please tick the appropriate box below to indicate your subscription rate and payment method.

Please tick the appropriate box below to indicate your subscription rate and payment method.

Please tick the appropriate box below to indicate your subscription rate and payment method.

Please tick the appropriate box below to indicate your subscription rate and payment method.

Please tick the appropriate box below to indicate your subscription rate and payment method.

Please tick the appropriate box below to indicate your subscription rate and payment method.

Please tick the appropriate box below to indicate your subscription rate and payment method.

Please tick the appropriate box below to indicate your subscription rate and payment method.

Please tick the appropriate box below to indicate your subscription rate and payment method.

Please tick the appropriate box below to indicate your subscription rate and payment method.

Please tick the appropriate box below to indicate your subscription rate and payment method.

Please tick the appropriate box below to indicate your subscription rate and payment method.

Please tick the appropriate box below to indicate your subscription rate and payment method.

COMMODITIES AND AGRICULTURE

WEEK IN THE MARKETS

Cocoa's uptrend continues

After several failed attempts the London Commodity Exchange's second position cocoa futures price yesterday broke through the \$1,060-a-tonne barrier, a level last seen in late August 1994. The move was halted at \$1,058, however, as the market recoiled from expected strong resistance at \$1,060. By the close it stood at \$1,049, up \$10 on the day and \$28 on the week.

Traders said the upward break was based on reasonably healthy fresh volume and expectations of further technical tightness in coming weeks. The tightness that has been supporting cocoa prices recently was still evident at yesterday's close in the \$7 premium for the prompt March position over May, but that compared with \$12 at the end of last week.

LCFE robusta coffee futures were also firm. After struggling off an overnight setback in New York the May delivery position moved up to \$3,054, a tonne before closing at \$3,052, up \$40 on the day and \$194 on the week. The price has now bounced by \$480 from the low reached less than three weeks ago but remains about \$1,000

below last year's 84-year peak, which was reached after two severe frosts and a prolonged drought in Brazil, the world's biggest producer. The rally has been encouraged by supply shortfalls from countries such as Cameroon and the Ivory Coast, in west Africa, and growing concern about about a dry spell in Colombia, Brazil's neighbour and the second biggest producer.

The gold price went into retreat yesterday afternoon after pushing against upside resistance for most of the week. The expiry of February options at 14.30 GMT was not followed by the break-out some traders had expected and investors holding long positions in anticipation of a break above \$380, a key price level, decided to liquidate. At the London bullion market close the price was \$375.50 an ounce, down \$3.10 on the day and \$2.50 on the week.

"Everybody was getting friendly towards the market," one dealer told Reuters, "and that's a sure sign it's going to come off."

Next week, traders said, the bullish sentiment should return and gold, unfettered by option positions, could make another attempt at breaking \$380. The next target after that would be \$385.

Richard Mooney

WEEKLY PRICE CHANGES

| | Latest price | Change on week | Year on year | 1994/5 |
|------------------------|--------------|----------------|--------------|----------|
| Gold per troy oz | \$375.50 | -2.50 | \$378.70 | \$368.50 |
| Silver per troy oz | \$25.50 | -0.50 | \$26.20 | \$25.50 |
| Aluminium 99.7% (cash) | \$1,049 | +4.00 | \$1,049 | \$1,049 |
| Copper Grade A (cash) | \$2,052 | +2.00 | \$2,052 | \$2,052 |
| Lead (cash) | \$277.0 | +3.5 | \$277.0 | \$277.0 |
| Zinc (cash) | \$1,049 | +4.00 | \$1,049 | \$1,049 |
| Steel (cash) | \$1,049 | +4.00 | \$1,049 | \$1,049 |
| Cocoa Futures May | \$1,049 | +10 | \$1,049 | \$1,049 |
| Cocoa Futures June | \$1,049 | +10 | \$1,049 | \$1,049 |
| Cocoa Futures July | \$1,049 | +10 | \$1,049 | \$1,049 |
| Cocoa Futures Aug | \$1,049 | +10 | \$1,049 | \$1,049 |
| Cocoa Futures Sept | \$1,049 | +10 | \$1,049 | \$1,049 |
| Cocoa Futures Oct | \$1,049 | +10 | \$1,049 | \$1,049 |
| Cocoa Futures Nov | \$1,049 | +10 | \$1,049 | \$1,049 |
| Cocoa Futures Dec | \$1,049 | +10 | \$1,049 | \$1,049 |
| Cocoa Futures Jan | \$1,049 | +10 | \$1,049 | \$1,049 |
| Cocoa Futures Feb | \$1,049 | +10 | \$1,049 | \$1,049 |
| Cocoa Futures Mar | \$1,049 | +10 | \$1,049 | \$1,049 |
| Cocoa Futures Apr | \$1,049 | +10 | \$1,049 | \$1,049 |
| Cocoa Futures May | \$1,049 | +10 | \$1,049 | \$1,049 |
| Cocoa Futures Jun | \$1,049 | +10 | \$1,049 | \$1,049 |
| Cocoa Futures Jul | \$1,049 | +10 | \$1,049 | \$1,049 |
| Cocoa Futures Aug | \$1,049 | +10 | \$1,049 | \$1,049 |
| Cocoa Futures Sep | \$1,049 | +10 | \$1,049 | \$1,049 |
| Cocoa Futures Oct | \$1,049 | +10 | \$1,049 | \$1,049 |
| Cocoa Futures Nov | \$1,049 | +10 | \$1,049 | \$1,049 |
| Cocoa Futures Dec | \$1,049 | +10 | \$1,049 | \$1,049 |
| Cocoa Futures Jan | \$1,049 | +10 | \$1,049 | \$1,049 |
| Cocoa Futures Feb | \$1,049 | +10 | \$1,049 | \$1,049 |
| Cocoa Futures Mar | \$1,049 | +10 | \$1,049 | \$1,049 |
| Cocoa Futures Apr | \$1,049 | +10 | \$1,049 | \$1,049 |
| Cocoa Futures May | \$1,049 | +10 | \$1,049 | \$1,049 |
| Cocoa Futures Jun | \$1,049 | +10 | \$1,049 | \$1,049 |
| Cocoa Futures Jul | \$1,049 | +10 | \$1,049 | \$1,049 |
| Cocoa Futures Aug | \$1,049 | +10 | \$1,049 | \$1,049 |
| Cocoa Futures Sep | \$1,049 | +10 | \$1,049 | \$1,049 |
| Cocoa Futures Oct | \$1,049 | +10 | \$1,049 | \$1,049 |
| Cocoa Futures Nov | \$1,049 | +10 | \$1,049 | \$1,049 |
| Cocoa Futures Dec | \$1,049 | +10 | \$1,049 | \$1,049 |
| Cocoa Futures Jan | \$1,049 | +10 | \$1,049 | \$1,049 |
| Cocoa Futures Feb | \$1,049 | +10 | \$1,049 | \$1,049 |
| Cocoa Futures Mar | \$1,049 | +10 | \$1,049 | \$1,049 |
| Cocoa Futures Apr | \$1,049 | +10 | \$1,049 | \$1,049 |
| Cocoa Futures May | \$1,049 | +10 | \$1,049 | \$1,049 |
| Cocoa Futures Jun | \$1,049 | +10 | \$1,049 | \$1,049 |
| Cocoa Futures Jul | \$1,049 | +10 | \$1,049 | \$1,049 |
| Cocoa Futures Aug | \$1,049 | +10 | \$1,049 | \$1,049 |
| Cocoa Futures Sep | \$1,049 | +10 | \$1,049 | \$1,049 |
| Cocoa Futures Oct | \$1,049 | +10 | \$1,049 | \$1,049 |
| Cocoa Futures Nov | \$1,049 | +10 | \$1,049 | \$1,049 |
| Cocoa Futures Dec | \$1,049 | +10 | \$1,049 | \$1,049 |
| Cocoa Futures Jan | \$1,049 | +10 | \$1,049 | \$1,049 |
| Cocoa Futures Feb | \$1,049 | +10 | \$1,049 | \$1,049 |
| Cocoa Futures Mar | \$1,049 | +10 | \$1,049 | \$1,049 |
| Cocoa Futures Apr | \$1,049 | +10 | \$1,049 | \$1,049 |
| Cocoa Futures May | \$1,049 | +10 | \$1,049 | \$1,049 |
| Cocoa Futures Jun | \$1,049 | +10 | \$1,049 | \$1,049 |
| Cocoa Futures Jul | \$1,049 | +10 | \$1,049 | \$1,049 |
| Cocoa Futures Aug | \$1,049 | +10 | \$1,049 | \$1,049 |
| Cocoa Futures Sep | \$1,049 | +10 | \$1,049 | \$1,049 |
| Cocoa Futures Oct | \$1,049 | +10 | \$1,049 | \$1,049 |
| Cocoa Futures Nov | \$1,049 | +10 | \$1,049 | \$1,049 |
| Cocoa Futures Dec | \$1,049 | +10 | \$1,049 | \$1,049 |
| Cocoa Futures Jan | \$1,049 | +10 | \$1,049 | \$1,049 |
| Cocoa Futures Feb | \$1,049 | +10 | \$1,049 | \$1,049 |
| Cocoa Futures Mar | \$1,049 | +10 | \$1,049 | \$1,049 |
| Cocoa Futures Apr | \$1,049 | +10 | \$1,049 | \$1,049 |
| Cocoa Futures May | \$1,049 | +10 | \$1,049 | \$1,049 |
| Cocoa Futures Jun | \$1,049 | +10 | \$1,049 | \$1,049 |
| Cocoa Futures Jul | \$1,049 | +10 | \$1,049 | \$1,049 |
| Cocoa Futures Aug | \$1,049 | +10 | \$1,049 | \$1,049 |
| Cocoa Futures Sep | \$1,049 | +10 | \$1,049 | \$1,049 |
| Cocoa Futures Oct | \$1,049 | +10 | \$1,049 | \$1,049 |
| Cocoa Futures Nov | \$1,049 | +10 | \$1,049 | \$1,049 |
| Cocoa Futures Dec | \$1,049 | +10 | \$1,049 | \$1,049 |
| Cocoa Futures Jan | \$1,049 | +10 | \$1,049 | \$1,049 |
| Cocoa Futures Feb | \$1,049 | +10 | \$1,049 | \$1,049 |
| Cocoa Futures Mar | \$1,049 | +10 | \$1,049 | \$1,049 |
| Cocoa Futures Apr | \$1,049 | +10 | \$1,049 | \$1,049 |
| Cocoa Futures May | \$1,049 | +10 | \$1,049 | \$1,049 |
| Cocoa Futures Jun | \$1,049 | +10 | \$1,049 | \$1,049 |
| Cocoa Futures Jul | \$1,049 | +10 | \$1,049 | \$1,049 |
| Cocoa Futures Aug | \$1,049 | +10 | \$1,049 | \$1,049 |
| Cocoa Futures Sep | \$1,049 | +10 | \$1,049 | \$1,049 |
| Cocoa Futures Oct | \$1,049 | +10 | \$1,049 | \$1,049 |
| Cocoa Futures Nov | \$1,049 | +10 | \$1,049 | \$1,049 |
| Cocoa Futures Dec | \$1,049 | +10 | \$1,049 | \$1,049 |
| Cocoa Futures Jan | \$1,049 | +10 | \$1,049 | \$1,049 |
| Cocoa Futures Feb | \$1,049 | +10 | \$1,049 | \$1,049 |
| Cocoa Futures Mar | \$1,049 | +10 | \$1,049 | \$1,049 |
| Cocoa Futures Apr | \$1,049 | +10 | \$1,049 | \$1,049 |
| Cocoa Futures May | \$1,049 | +10 | \$1,049 | \$1,049 |
| Cocoa Futures Jun | \$1,049 | +10 | \$1,049 | \$1,049 |
| Cocoa Futures Jul | \$1,049 | +10 | \$1,049 | \$1,049 |
| Cocoa Futures Aug | \$1,049 | +10 | \$1,049 | \$1,049 |
| Cocoa Futures Sep | \$1,049 | +10 | \$1,049 | \$1,049 |
| Cocoa Futures Oct | \$1,049 | +10 | \$1,049 | \$1,049 |
| Cocoa Futures Nov | \$1,049 | +10 | \$1,049 | \$1,049 |
| Cocoa Futures Dec | \$1,049 | +10 | \$1,049 | \$1,049 |
| Cocoa Futures Jan | \$1,049 | +10 | \$1,049 | \$1,049 |
| Cocoa Futures Feb | \$1,049 | +10 | \$1,049 | \$1,049 |
| Cocoa Futures Mar | \$1,049 | +10 | \$1,049 | \$1,049 |
| Cocoa Futures Apr | \$1,049 | +10 | \$1,049 | \$1,049 |
| Cocoa Futures May | \$1,049 | +10 | \$1,049 | \$1,049 |
| Cocoa Futures Jun | \$1,049 | +10 | \$1,049 | \$1,049 |
| Cocoa Futures Jul | \$1,049 | +10 | \$1,049 | \$1,049 |
| Cocoa Futures Aug | \$1,049 | +10 | \$1,049 | \$1,049 |
| Cocoa Futures Sep | \$1,049 | +10 | \$1,049 | \$1,049 |
| Cocoa Futures Oct | \$1,049 | +10 | \$1,049 | \$1,049 |
| Cocoa Futures Nov | \$1,049 | +10 | \$1,049 | \$1,049 |
| Cocoa Futures Dec | \$1,049 | +10 | \$1,049 | \$1,049 |
| Cocoa Futures Jan | \$1,049 | +10 | \$1,049 | \$1,049 |
| Cocoa Futures Feb | \$1,049 | +10 | \$1,049 | \$1,049 |
| Cocoa Futures Mar | \$1,049 | +10 | \$1,049 | \$1,049 |
| Cocoa Futures Apr | \$1,049 | +10 | \$1,049 | \$1,049 |
| Cocoa Futures May | \$1,049 | +10 | \$1,049 | \$1,049 |
| Cocoa Futures Jun | \$1,049 | +10 | \$1,049 | \$1,049 |
| Cocoa Futures Jul | \$1,049 | +10 | \$1,049 | \$1,049 |
| Cocoa Futures Aug | \$1,049 | +10 | \$1,049 | \$1,049 |
| Cocoa Futures Sep | \$1,049 | +10 | \$1,049 | \$1,049 |
| Cocoa Futures Oct | \$1,049 | +10 | \$1,049 | \$1,049 |
| Cocoa Futures Nov | \$1,049 | +10 | \$1,049 | \$1,049 |
| Cocoa Futures Dec | \$1,049 | +10 | \$1,049 | \$1,049 |
| Cocoa Futures Jan | \$1,049 | +10 | \$1,049 | \$1,049 |
| Cocoa Futures Feb | \$1,049 | +10 | \$1,049 | \$1,049 |
| Cocoa Futures Mar | \$1,049 | +10 | \$1,049 | \$1,049 |
| Cocoa Futures Apr | \$1,049 | +10 | \$1,049 | \$1,049 |
| Cocoa Futures May | \$1,049 | +10 | \$1,049 | \$1,049 |
| Cocoa Futures Jun | \$1,049 | +10 | \$1,049 | \$1,049 |
| Cocoa Futures Jul | \$1,049 | +10 | \$1,049 | \$1,049 |
| Cocoa Futures Aug | \$1,049 | +10 | \$1,049 | \$1,049 |
| Cocoa Futures Sep | \$1,049 | +10 | \$1,049 | \$1,049 |
| Cocoa Futures Oct | \$1,049 | +10 | \$1,049 | \$1,049 |
| Cocoa Futures Nov | \$1,049 | +10 | \$1,049 | \$1,049 |
| Cocoa Futures Dec | \$1,049 | +10 | \$1,049 | \$1,049 |
| Cocoa Futures Jan | \$1,049 | +10 | \$1,049 | \$1,049 |
| Cocoa Futures Feb | \$1,049 | +10 | \$1,049 | \$1,049 |
| Cocoa Futures Mar | \$1,049 | +10 | \$1,049 | \$1,049 |
| Cocoa Futures Apr | \$1,049 | +10 | \$1,049 | \$1,049 |
| Cocoa Futures May | \$1,049 | +10 | \$1,049 | \$1,049 |
| Cocoa Futures Jun | \$1,049 | +10 | \$1,049 | \$1,049 |
| Cocoa Futures Jul | \$1,049 | +10 | \$1,049 | \$1,049 |
| Cocoa Futures Aug | \$1,049 | +10 | \$1,049 | \$1,049 |
| Cocoa Futures Sep | \$1,049 | +10 | \$1,049 | \$1,049 |
| Cocoa Futures Oct | \$1,049 | +10 | \$1,049 | \$1,049 |
| Cocoa Futures Nov | \$1,049 | +10 | \$1,049 | \$1,049 |
| Cocoa Futures Dec | \$1,049 | +10 | \$1,049 | \$1,049 |
| Cocoa Futures Jan | \$1,049 | +10 | \$1,049 | \$1,049 |
| Cocoa Futures Feb | \$1,049 | +10 | \$1,049 | \$1,049 |
| Cocoa Futures Mar | \$1,049 | +10 | \$1,049 | \$1,049 |
| Cocoa Futures Apr | \$1,049 | +10 | \$1,049 | \$1,049 |
| Cocoa Futures May | \$1,049 | +10 | \$1,049 | \$1,049 |
| Cocoa Futures Jun | \$1,049 | +10 | \$1,049 | \$1,049 |
| Cocoa Futures Jul | \$1,049 | +10 | \$1,049 | \$1,049 |
| Cocoa Futures Aug | \$1,049 | +10 | \$1,049 | \$1,049 |
| Cocoa Futures Sep | \$1,049 | +10 | \$1,049 | \$1,049 |
| Cocoa Futures Oct | \$1,049 | +10 | \$1,049 | \$1,049 |
| Cocoa Futures Nov | \$1,049 | +10 | \$1,049 | \$1,049 |
| Cocoa Futures Dec | \$1,049 | +10 | \$1,049 | \$1,049 |
| Cocoa Futures Jan | \$1,049 | +10 | \$1,049 | \$1,049 |
| Cocoa Futures Feb | \$1,049 | +10 | \$1,049 | \$1,049 |
| Cocoa Futures Mar | \$1,049 | +10 | \$1,049 | \$1,049 |
| Cocoa Futures Apr | \$1,049 | +10 | \$1,049 | \$1,049 |
| Cocoa Futures May | \$1,049 | +10 | \$1,049 | \$1,049 |
| Cocoa Futures Jun | \$1,049 | +10 | \$1,049 | \$1,049 |
| Cocoa Futures Jul | \$1,049 | +10 | \$1,049 | \$1,049 |
| Cocoa Futures Aug | \$1,049 | +10 | \$1,049 | \$1,049 |
| Cocoa Futures Sep | \$1,049 | +10 | \$1,049 | \$1,049 |
| Cocoa Futures Oct | \$1,049 | +10 | \$1,049 | \$1,049 |
| Cocoa Futures Nov | \$1,049 | +10 | \$1,049 | \$1,049 |
| Cocoa Futures Dec | \$1,049 | +10 | \$1,049 | \$1,049 |
| Cocoa Futures Jan | \$1,049 | +10 | \$1,049 | \$1,049 |
| Cocoa Futures Feb | \$1,049 | +10 | \$1,049 | \$1,049 |
| Cocoa Futures Mar | \$1,049 | +10 | \$1,049 | \$1,049 |
| Cocoa Futures Apr | \$1,049 | +10 | \$1,049 | \$1,049 |
| Cocoa Futures May | \$1,049 | +10 | \$1,049 | \$1,049 |
| Cocoa Futures Jun | \$1,049 | +10 | \$1,049 | \$1,049 |
| Cocoa Futures Jul | \$1,049 | +10 | \$1,049 | \$1,049 |
| Cocoa Futures Aug | \$1,049 | +10 | \$1,049 | \$1,049 |
| Cocoa Futures Sep | \$1,049 | +10 | \$1,049 | \$1,049 |
| Cocoa Futures Oct | \$1,049 | +10 | \$1,049 | \$1,049 |
| Cocoa Futures Nov | \$1,049 | +10 | \$1,049 | \$1,049 |
| Cocoa Futures Dec | \$1,049 | +10 | \$1,049 | \$1,049 |
| Cocoa Futures Jan | \$1,049 | +10 | \$1,049 | \$1,049 |
| Cocoa Futures Feb | \$1,049 | +10 | \$1,049 | \$1,049 |
| Cocoa Futures Mar | \$1,049 | +10 | \$1,049 | \$1,049 |
| Cocoa Futures Apr | \$1,049 | +10 | \$1,049 | \$1,049 |
| Cocoa Futures May | \$1,049 | +10 | \$1,049 | \$1,049 |
| Cocoa Futures Jun | \$1,049 | +10 | \$1,049 | \$1,049 |
| Cocoa Futures Jul | \$1,049 | +10 | \$1,049 | \$1,049 |
| Cocoa Futures Aug | \$1,049 | +10 | \$1,049 | \$1,049 |
| Cocoa Futures Sep | \$1,049 | +10 | \$1,049 | \$1,049 |
| Cocoa Futures Oct | \$1,049 | +10 | \$1,049 | \$1,049 |
| Cocoa Futures Nov | \$1,049 | +10 | \$1,049 | \$1,049 |
| Cocoa Futures Dec | \$1,049 | +10 | \$1,049 | \$1,049 |
| Cocoa Futures Jan | \$1,049 | +10 | \$1,049 | \$1,049 |
| Cocoa Futures Feb | \$1,049 | +10 | \$1,049 | \$1,049 |
| Cocoa Futures Mar | \$1,049 | +10 | \$1,049 | \$1,049 |
| Cocoa Futures Apr | \$1,049 | +10 | \$1,049 | \$1,049 |
| Cocoa Futures May | \$1,049 | +10 | \$1,049 | \$1,049 |
| Cocoa Futures Jun | \$1,049 | +10 | \$1,049 | \$1,049 |
| Cocoa Futures Jul | \$1,049 | +10 | \$1,049 | \$1,049 |
| Cocoa Futures Aug | \$1,049 | +10 | \$1,049 | \$1,049 |
| Cocoa Futures Sep | \$1,049 | +10 | \$1,049 | \$1,049 |
| Cocoa Futures Oct | \$1,049 | +10 | \$1,049 | \$1,049 |
| Cocoa Futures Nov | \$1,049 | +10 | \$1,049 | \$1,049 |
| Cocoa Futures Dec | \$1,049 | +10 | \$1,049 | \$1,049 |
| Cocoa Futures Jan | \$1,049 | +10 | \$1,049 | \$1,049 |
| Cocoa Futures Feb | \$1,049 | +10 | \$1,049 | \$1,049 |
| Cocoa Futures Mar | \$1,049 | +10 | \$1,049 | \$1,049 |
| Cocoa Futures Apr | \$1,049 | +10 | \$1,049 | \$1,049 |
| Cocoa Futures May | \$1,049 | +10 | \$1,049 | \$1,049 |
| Cocoa Futures Jun | \$1,049 | +10 | \$1,049 | \$1,049 |
| Cocoa Futures Jul | \$1,049 | +10 | \$1,049 | \$1,049 |
| Cocoa Futures Aug | \$1,049 | +10 | \$1,049 | \$1,049 |
| Cocoa Futures Sep | \$1,049 | +10 | \$1,049 | \$1,049 |
| Cocoa Futures Oct | \$1,049 | +10 | \$1,049 | \$1,049 |
| Cocoa Futures Nov | \$1,049 | +10 | \$1,049 | \$1,049 |
| Cocoa Futures Dec | \$1,049 | +10 | \$1,049 | \$1,049 |
| Cocoa Futures Jan | \$1,049 | +10 | \$1,049 | \$1,049 |
| Cocoa Futures Feb | \$1,049 | +10 | \$1,049 | \$1,049 |

FINANCIAL TIMES

Number One Southwark Bridge, London SE1 9HL
Tel: +44 171-873 3000 Telex: 922186 Fax: +44 171-407 5700

Saturday February 25 1995

A tale of two currencies

In his testimony to the Senate banking committee last Wednesday, Mr Alan Greenspan, chairman of the Federal Reserve, suggested that the US economy may be slowing to a sustainable growth rate. This news is good for US equities and bonds, if bad for the dollar. More important than the weakness of the US dollar, however, is the strength of the D-Mark. The German authorities have successfully managed the monetary and fiscal consequences of unification. Its neighbours must match its achievement.

The Federal Reserve expects the growth of US GDP to drop from last year's 4.3 per cent to 2.9 per cent in 1995. It also expects only a modest acceleration in inflation, with the consumer price index projected to rise by 3.3 per cent, compared with 2.7 per cent in 1994. Credit for what would be a miracle of monetary fine-tuning is given to the seven increases in short-term interest rates since the beginning of February 1994.

If these forecasts prove correct, there need be little, if any, further rise in short-term interest rates. The market's expectation for the level of three-month US interest rates in March has already fallen from 7.4 per cent in December to 6.25 per cent. This is also good news for bonds, with yields on 30-year Treasuries falling below 7.5 per cent for the first time since last September, although they remain well above the trough of 5.8 per cent reached in October 1993. Equities have also gained, with the Dow Jones Industrial Average rising above 4,000 this week. Investors are apparently believe that the US is on a golden path of non-inflationary growth.

Party-pooper

Foreign exchange markets are the party-pooper. At DM147 and Y97, the dollar remains stubbornly unloved. Since it failed to rise when interest-rate differentials and economic performance were in its favour, this is not surprising. Dollar weakness may be partly due to exaggerated worries about Mexico's financial crisis and understandable concern about the fiscal consequences of the Republican victory in the congressional elections. But the German and Japanese recoveries are also helping to shift expected interest rate movements against the US.

In neither country does a significant rise in short-term interest rates appear imminent. The Bundesbank may be fretting about labour unrest, but it must be happy about the recent strength of the D-Mark and ecstatic about monetary growth. In January, the annualised growth of broad money, M3, was only 4 per cent above the fourth quarter of 1993 and 5.8 per cent below the fourth

quarter of 1994. So long as the outcome of the current wage round is tolerable, the Bundesbank should not feel obliged to raise interest rates soon.

Changes in expectations about short-term interest rates do much to explain recent dollar weakness. Some argue there is more fundamental weakness as well. It is possible to produce good *a priori* reasons why the dollar should be weak in the long term: the net debtor position of the US, persistent current account deficits and attempts by non-residents to reduce the disproportionate role of the dollar as a store of value and means of payment. What is less obvious is that there is much long term weakness to explain.

Big oscillations

Since 1987, the dollar has displayed big oscillations against the D-Mark rather than any strong downward trend. The same is true for its overall trade-weighted exchange rate. Only against the yen, of the major currencies, has it shown a persistent downward trend, which is hardly surprising, given the chronic Japanese current account surplus and the country's low inflation.

More significant than the allegedly fundamental weakness of the US dollar is what has been happening in Germany. It is not just that the Bundesbank has managed to get the post-unification inflation surge under control. Nor is it just that the economy has managed a swifter and stronger recovery than had been expected a year ago. It is also that the fiscal problems of German unification seem to have been managed with greater aplomb than expected.

Notwithstanding unification, Germany is expected by the OECD to have the lowest general government borrowing requirement of all members of the European Union, by 1996. The economic consequences of unification remain serious, above all for unemployment. But the strength of German commitment to a stability-oriented fiscal and monetary policy has been demonstrated again. No wonder most other European currencies are shaky. The lira has fallen 33 per cent in value against the D-Mark since September 1992. Sterling is at DM2.32. Even the French franc is 5 per cent below its central rate against the D-Mark, well outside the old 2.25 per cent ERM band.

Mr Greenspan's news was good for the US, if bad for the dollar. The strength of the D-Mark, albeit good news for Germany, is bad news for the rest of Europe. Germany continues to set the European standard for monetary and fiscal policy. Few, if any, of the other European countries seem able keep up.

A wire-tapping scandal linked to a corruption case. Allegations of a CIA spy ring seeking to steal industrial and political secrets.

Such intrigues would provide good material for a pulp fiction thriller. This week, however, they have ignited France's presidential election campaign in which Mr Edouard Balladur, the Gaullist prime minister, looked to be a certain winner only weeks ago.

The collapse of the commanding lead long enjoyed by Mr Balladur has left the race for the Elysée palace open. But the scramble to succeed President François Mitterrand is intensifying the civil war on the French right, undermining the workings of government and raising the prospect of a rebound in socialist fortunes.

The shift in the election odds is clear from a batch of opinion polls over the past week. The surveys give varying figures, but their message is the same: a sharp fall in support for Mr Balladur and substantial gains for his two principal rivals, Mr Jacques Chirac, the Gaullist mayor of Paris, and Mr Lionel Jospin, the Socialist contender.

According to the latest Ipsos poll, published today, all three candidates would win 24 per cent support in the first round of the April/May election. Earlier this week, a BVA poll put Mr Jospin just ahead of the prime minister. "The slide [in the prime minister's ratings] is like a toboggan, you don't know where it will stop," says Mr Pierre Moscovici, Socialist campaign treasurer.

Mr Balladur's aides respond that the prime minister retains the edge in voting intentions for the second round run-off on May 7. But the fall in support and the fact that up to half of those polled are still undecided have inspired rivals. "Everything is still to play for," says Mr Raymond Barre, the centrist former prime minister who may yet decide to enter the contest.

The shift in Mr Balladur's fortunes is partly explained by the lack of dynamism in his campaign. The aloof, patrician premier is not at his best on the stump, nor has his programme inspired potential voters. "By conviction he is cautious," says one Paris politics professor. "So he avoids radical solutions to the social and unemployment problems which are facing France."

His lacklustre campaigning has also been hit by policy setbacks, for example over education reforms that would have raised university entrance fees. A wave of student protests earlier this month led to a climbdown by the government. This week's wire-tapping scandal has proved more serious, however, with Mr Balladur and Mr Charles Pasqua - the interior minister and one of the premier's closest political allies - accused of authorising an illegal telephone tap. The case is linked to a corruption investigation into the Gaullist RPR party.

The complex case originates in allegations of kickbacks on public housing contracts. Mr Didier Schuller, one of several Gaullists under investigation, alleged that he had been approached by Mr Jean-Pierre Marchal, the father-in-law of the investigating magistrate. According to Mr Schuller, Mr Marchal had offered to persuade his son-in-law to drop the case in return for FRFm. The police tapped Mr Marchal's telephone and then arrested him at Charles de Gaulle airport while he was receiving a payment from Mr Schuller.

Mr Marchal claimed that he had been entrapped by police sympa-

Feuding and intrigue are making the French presidential race rougher and tougher, says John Ridding

Everything still to play for



Edouard Balladur (below right) has been the main victim of the phone-tap scandal involving one of his allies, Charles Pasqua (below left). Socialist Lionel Jospin (top left) and Gaullist Jacques Chirac have benefited

thetic to the Gaullists who wanted to replace the investigating magistrate and hence delay the corruption probe until after the presidential election. A Paris court cleared Mr Marchal, ruling that the telephone tap was illegal.

The case has touched Mr Balladur, because his office authorised the wire-tap and because Mr Pasqua is responsible for such surveillance activities. And the controversy surrounding Mr Pasqua has escalated after a further twist in the tale. On Wednesday, Le Monde, the daily newspaper, published a leaked report detailing the discovery of an alleged CIA ring operating in France, engaged in industrial and political espionage. It claimed five spies had been ordered to leave the country, producing a predictably angry response from Washington.

But the leak also prompted allegations that Mr Pasqua was seeking to divert attention from the wire-tap scandal. "The timing was a very fortunate coincidence," says one Paris politics professor. "Civil wars are always the most bloody, because they come from the same party they know each other's secrets."

One consequence of the strife has been to set government departments at odds with each other, notably Mr Juppé's foreign ministry and Mr Pasqua's interior ministry. But the divisions raise the likelihood that other candidates, such as

political right. Mr Alain Juppé, the foreign minister and one of Mr Chirac's closest allies, called for an official inquiry, claiming he was "scandalised" by the handling of the issue. Mr Balladur's supporters responded with an attack on Mr Philippe Séguin, the president of the National Assembly and another powerful Chirac backer, accusing him of ambiguity over whether he would support Mr Balladur in a second-round run-off against Mr Jospin.

Mr François Léotard, the defence minister from the prime minister's camp, retorted that, in failing to make clear his preference for any Gaullist candidate, Mr Séguin had made "a political and moral error, heavy in consequence".

One consequence is likely to be escalation in the feud inside the RPR party, as Mr Chirac's supporters seek to maintain his recent advance in the polls and a rattled Balladur responds. "There will be more dirt to come," says one Paris politics professor. "Civil wars are always the most bloody, because they come from the same party they know each other's secrets."

One consequence of the strife has been to set government departments at odds with each other, notably Mr Juppé's foreign ministry and Mr Pasqua's interior ministry. But the divisions raise the likelihood that other candidates, such as

Mr Barre, will join the fray. At worst, continued infighting could lead to a third consecutive defeat for the right.

"We cannot play Russian roulette with six bullets in the revolver," says Mr Philippe Donste-Blazy, the government spokesman.

Such a prospect is much less remote than it was just three weeks ago, when Mr Balladur's poll lead seemed unassailable. When Mr Jospin won the Socialist nomination, the party appeared to have been devastated by the refusal of Mr Jacques Delors to follow his presidency of the European Commission with a tilt at the Elysée.

But Mr Jospin has since grouped many of the party's troublesome factions behind him and enjoyed a steady rise in support. And his reputation for austerity and sobriety has proved an asset amid concern about the extent of corruption. The former education minister revealed this week he owns no property and that his personal assets comprise two cars, one of which is being paid for by instalments.

Even political rivals see his image as a threat. "In the current climate his probity could prove attractive," says Mr Barre, who does not exclude the possibility of a socialist victory in the election.

Mr Jospin has problems of his own, however. He must overcome

the conservative tide that put 80 per cent of the National Assembly seats in the hands of the right or their centrist partners in the 1993 general elections. It was this that deterred Mr Delors from standing, convinced as he was that a socialist president would be constrained by a right-dominated parliament.

The leftist Radical party has added to his difficulties. Its decision on Thursday to field a candidate, Mr Jean-François Hory, will deprive him of votes.

Mr Jospin may lose ground when his policy programme is unveiled in early March. His initial proposals, such as a halt to privatisation, smack of orthodox socialism, suggesting he still sees life in the traditional left-right divide. Mr Jospin may be right that orthodox left-wing prescriptions can appeal on some issues, such as education which continues to bring tens of thousands on to the street in protest against reforms. But it will be a tougher task persuading the electorate of the merits of traditional socialist economics, particularly when several million of them have bought shares in the government's privatisation programmes.

So far, Mr Jospin has been guarded on his strategy over the single most important election issue, how to create jobs for France's 3.3m unemployed. Aides indicate he favours a reduction in working hours, though he has indicated he will not be bound by the party platform calling for a reduction in the working week from 39 to 35 hours over the next five years. "To will have to broaden his support and try and win over the middle classes", says one political analyst.

With the combined support for the two right-wing candidates in the polls running at double that for the Socialist candidate, Mr Jospin's ambitions may realistically be limited to reaching the second round of balloting. The fact that this now looks to be within Mr Jospin's grasp has sharpened exchanges between Mr Balladur and Mr Chirac.

For the moment, it is Mr Chirac who seems to be gaining support. His economic programme, giving priority to the fight against unemployment and including proposals to pay FF2,000 per month to companies for each long-term unemployed person they hire, appears to have struck a chord. So, too, have his attacks on Mr Balladur's preoccupation with the financial markets and reluctance to consider stronger measures to stimulate employment. Yesterday, Mr Alain Madelin, the minister for small businesses, stepped up the assault, arguing the prime minister's tough line on wage increases risked "a social explosion".

But Mr Balladur retains some cards up his sleeve. Figures this week showing a 10 per cent rise in manufacturing output last year and a near record trade surplus demonstrate the strength of the underlying economy, while unemployment is expected to start falling.

The prime minister has also bounced back from adversity in the past, for example after he backed down in the bitter Air France strike of 1993 and after mass student demonstrations last year.

Like his rivals, Mr Balladur knows that it is still early days on the campaign trail. But recent events have demonstrated that it takes little time to change the course of the polls. With the contest getting hotter and uglier, there will be many more turning points and pitfalls on the road to the Elysée.

MAN IN THE NEWS: Chris McGimpsey, Unionist councillor

Voice of the Shankill

If Mr John Major is to persuade the unionist majority in Northern Ireland to support his plans for bringing permanent peace to the province, it is the likes of Chris McGimpsey, the Ulster Unionist councillor for loyalist west Belfast, that he must win over.

The reaction of the nine Ulster Unionist MPs and the three Democratic Unionists to the framework document launched in Belfast on Wednesday by Mr Major and his Irish counterpart, Mr John Bruton, was as vitriolic as it was predictable.

The Rev Ian Paisley, leader of the Democratic Unionists, described it as a "declaration of war". Mr Ken Maginnis, a more moderate Ulster Unionist, said he had never been more angry.

The UK government hopes it can persuade the people of Northern Ireland that it is worth making compromises to turn the ceasefire, almost six months old, into a permanent peace. Mr McGimpsey, closer to grassroots feelings among the Protestant community than the MPs who represent it at Westminster, could play an important role in convincing loyalist opinion that the framework document offers just such a hope.

Mr McGimpsey had been careful not to denounce the document before its launch. But now he has read it, his initial reaction is none too pleasing for the government.

"No unionist can accept this document. It is too green, too slanted towards nationalists," he says. "I have not talked to anyone who thinks well of this document."

Mr McGimpsey represents the Shankill road area, the Protestant heartland of Belfast. It is there, and in the neighbouring Catholic

enclave around the Falls Road, once divided by a "peace line" of walls and barbed wire, that the impact of 25 years of the "troubles" has been greatest.

Mr McGimpsey, 42, is the son of a working class Protestant loyalist parents. His wife Joyce, was brought up in the Shankill. He has four sons and he buys and sells property for a living. His brother, Michael, is also a city councillor for another west Belfast district.

Mr McGimpsey describes himself as a moderate. Critics say he is friendly with elements of the Ulster Defence Association and the Ulster Volunteer Force, the extremist loyalist paramilitary groups.

This he denies. "I don't know, nor have I had contacts with, any UDA or UVF people. I may have had a drink in the pubs on the Shankill where they are supposed to go but I do not know them."

He agrees, though, that his wing of the UUP probably has more in common with Mr David Ervine of the Progressive Unionist Party, who speaks for the paramilitaries. Mr Ervine has urged dialogue, although he too has come out against the document.

"It is said that we are put in a position that because we reject the document we are seen to be against peace," said Mr McGimpsey. "Nothing could be further from the truth. No-one has suffered more than the loyalist community."

"What has changed is that people are no longer being killed. They may not like the document but at the same time they want us to be constructive and proactive. They don't want us just to sit in the corner and sulk."

The problem for the unionists is that they have boxed themselves into a corner. Many of their MPs



have been at Westminster for decades, banging the same drum. When sections of the draft document were leaked a month ago, they accused Mr Major of a "sell-out", a conspiracy to impose a united Ireland that would reward the IRA for 25 years of terrorism.

Mr Major tried to convince them that their concerns were misplaced. But when the proposals were eventually published on Wednesday, the unionists said their worst fears were realised.

The UK government's task was made no easier by the response to the document from Sinn Féin, the political wing of the IRA, which gave the document a non-hostile reception.

It is the proposal for a North/South body, with cross-border executive functions, that most alarms unionists. It overshadows details of a Northern Ireland Assembly and a promise by Dublin to amend its constitutional claim to the territory of the North.

The government has denied that it is going over the heads of the unionist MPs. But it knows that, if it does not, it will get nowhere.

Ministers have been heartened by the response to the public relations exercise accompanying publication of the document. A telephone hotline was jammed by members of the public requesting copies, while post offices distributing it could not cope with the demand.

At 37 pages, the document is not easy reading, but the willingness of voters to try suggests they may no longer be prepared to take the word of their MPs as gospel.

Previous attempts at political settlements led to mass demonstrations. By contrast, fewer than a dozen protesters braved the rain outside the Balmoral conference centre where the framework document was launched last week.

Mr McGimpsey warns that the quiet reception last week should not be seen as a sign of weakness. "We could get 200,000 people demonstrating by the weekend," he said.

"What would be the point? No, we must talk. We have offered to talk. We have offered to talk on the basis of our own document. We have even offered to talk to Dublin."

But he added: "We can't talk on the basis of the document. Any moderate who agreed to the document would be dead in the water."

In the long run, many Protestants feel the odds are stacked against them, that the document has accelerated the inexorable march to a united Ireland. They suspect a growing indifference among the public in the British mainland to their fate.

There are many in Britain who hope that the unionists' visceral distrust of the south could eventually be overcome. But even if it is, that may still not be enough for Mr McGimpsey.

"I don't care what religion people pursue," he says. "Ireland's just not my country. I am British."

John Kampfner and Stewart Dalby



POSSIBLY THE BEST DISTRIBUTION CENTRE FOR THE SOUTH EAST ...

FLEMING WAY DISTRIBUTION CENTRE Crawley, Sussex

A managed distribution warehouse facility

close to Gatwick Airport and the M23/25

74,500 SQ FT REMAINING

TO LET

For further details and the information pack call one of the numbers below

STILES HAROLD WILLIAMS 01293 548331
WALTER BULL & CO 0181 297 8150 / HILLIER PARKER 0171 629 7666

سكيا من الامم

Round numbers would not matter if stock markets were rational. But this week's rise to over 4,000 points by the Dow Jones Industrial Average on Wall Street does seem to be a significant event for US and world stock markets.

For the bulls, the Dow's break into new territory marks a decisive change from the weak financial market conditions that prevailed through 1994. Just as last year's falling bond and share prices were partly the result of rising US short-term interest rates, the current rally is sparked by the market's belief that the rate increase by the US Federal Reserve on February 1 will be the last of this cycle.

For the bears, however, the surge through 4,000 may simply be the "sucker's rally", the last chance for the smart money to get out before the coming plunge in prices. On some valuation measures, bears argue, share prices look particularly stretched. At Thursday's close, the Dow's dividend yield - the income return on shares - was 2.72 per cent, only a touch above the 2.5 per cent long reached just before the 1987 crash, and exceptionally low relative to bond yields.

The Dow is a narrow average, consisting of just 30 stocks, and is not always the best guide to the health of the US stock market. But on Thursday the much broader Standard & Poor's 500 Index, used as a benchmark by professional investors, also reached a record-breaking, if less numerically striking, high of 486.91.

This week's market surge was prompted by testimony from Mr

Broken barriers on Wall Street

Philip Coggan and Lisa Bransten assess the views of bulls and bears after record highs for US stocks

Alan Greenspan, the Fed chairman, to congressional committees. The market seized on comments which suggested the US economy might be slowing to a sustainable growth rate, with inflation still subdued.

The prospect of a so-called "soft landing" for the economy, in which growth slows to a supposedly non-inflationary 2.5 per cent annum from 1994's 4 per cent, was seen as good news for bonds, the value of which is eroded by inflation. The 30 year Treasury bond yield, which touched 8.2 per cent last November, dipped below 7.5 per cent on Thursday.

A bond market rally was probably necessary for the Dow to reach a new high. The US equity market spent much of last year caught in the crossfire between higher corporate earnings and rising interest rates and bond yields. In the end, these influences cancelled each other out and the Dow ended the year just 2 per cent ahead.

But this year, with bond yields falling and short-term interest rates perhaps at their peak, the market can focus on the outlook for earnings, which some expect to grow a further 8-10 per cent in 1995. Also, the US may return to favour with

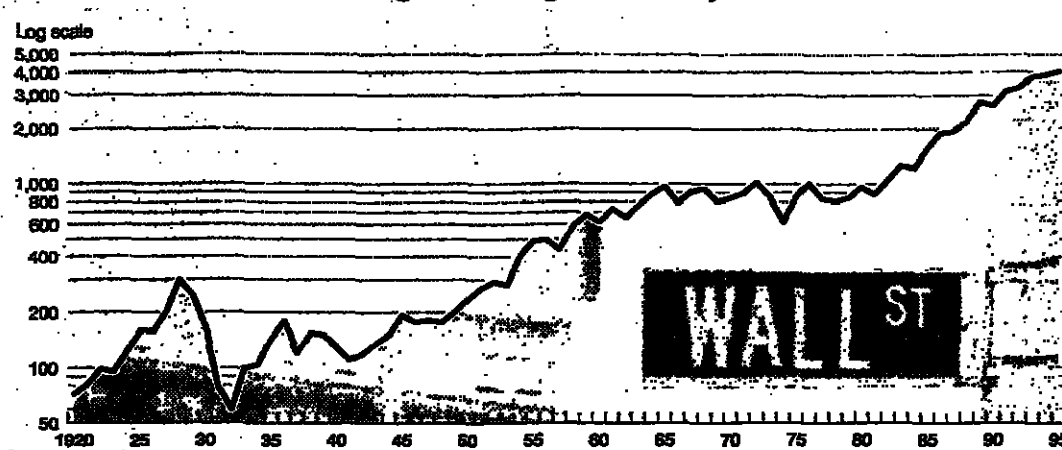
international investors who have favoured other areas, such as emerging markets, in recent years. Mr Nick Train, investment director of UK fund management group GT, says foreign investors have been "bearish, not to say apocalyptic about the US stock market for the past 3-4 years."

US companies, however, earn a higher return on equity than those in Europe and Japan, says Mr Train, and have a leading position in many of the 21st century's likely growth industries, such as software, media and biotechnology. Ms Abby Cohen, market strategist at Goldman Sachs, thinks international investors could be ready to reappraise the US economy, which has much improved its competitive position in the past 10 years.

In addition, the recent Mexican financial crisis may be forcing domestic US investors to retreat to the safety of their home market. Mr Thomas McGinnis, an equities strategist at Morgan Stanley, thinks some of the market's recent gains may be partially attributed to US investors repatriating money from international mutual funds.

Bulls say US companies, rather than paying dividends, are using

Dow Jones Industrial Average: the long climb to 4,000



cash to buy back shares or investing heavily in new equipment, both of which should be to the long-term benefit of shareholders. Furthermore, according to Dean Witter Reynolds, the US investment bank, the payout ratio (dividends as a percentage of earnings) is below the historical average, giving scope for dividends to increase.

Throw in the new Republican-controlled Congress, which is pressing for a capital gains tax cut and is seen as more sympathetic to Wall Street than President Clinton, and one can construct a compelling bullish argument.

But the bullish case does take a number of factors on trust. The most important is the assumed soft landing. Mr Nicholas Knight, global strategist at Nomura Securities, says in the past 25 years, the US has managed only four times to achieve the "ideal" 2.5 per cent growth rate. Either the Fed does too much in terms of raising rates, and causes a recession, or too little, and inflation climbs.

Mr David Shulman, chief equity strategist at Salomon Brothers and one of the most bearish analysts on Wall Street, thinks the market has been lulled into the false belief that

the Fed has managed to slow the economy without triggering a recession. Instead he thinks inflation, just 2.7 per cent last year, is likely to pick up later this year. Others point out a slowing economy will not be that good for corporate earnings, with annual growth expected to slow to 2.7 per cent in 1996. That does not look like fast enough growth to justify the price-earnings ratio on the S&P of over 19.

A second difficulty is that the markets may have over-interpreted Mr Greenspan's words. Mr Alan Blinder, the Fed vice-chairman,

hinted as much on Thursday, causing Treasury bonds to fall back from their day's high. Another rise in interest rates is still a distinct possibility.

The third problem is the dollar. US bonds and equities may seem popular with international investors, but the US dollar is not. This week it hit its lowest level against the D-Mark since October 1992. The prospect of a weakening US dollar is unlikely to encourage international investors to put money into dollar-denominated shares.

Another problem is the US domestic investor. To date, private investors in mutual funds have been remarkably sanguine about losses in 1994. There has not been the wave of redemptions many feared.

But Mr McManus says that December's slight decline in mutual fund redemptions and relatively low level of new purchases was "disappointing at best", since "December usually marks the beginning of the season of strong inflows from year-end contributions to pension and profit-sharing plans".

Many mutual fund investors may have transferred their money from deposits in the early 1990s, when short-term interest rates were 3 per cent, and may be tempted to switch back now that rates have reached 5 per cent.

In the view of Ms Katherine Hensel, chief investment strategist at Lehman Brothers, all this means that "there is a substantial possibility of a negative surprise, so from a risk-reward point of view I think it's a good time to take some profits".

John Lloyd on the new freedom of Russia's wealthier republics

The conventional wisdom among liberals in Russia and many observers abroad is that things can only get worse after the war in Chechnya.

They argue that the cause of reform will suffer in the struggle to apportion blame for the ham-fisted and unpopular military intervention in Chechnya. And they predict that the first of independence will be lit in other parts of the Russian federation, especially the north Caucasian and Moslem republics.

But the conventional wisdom is likely to be wrong. A new model for the Russian state had started to emerge before the Chechens' bid for independence was suppressed. The lesson of Chechnya for the other republics and regions of the Russian federation is likely to be that they should consider adopting this model rather than taking up arms against Moscow.

An example of how the model works is to be found in Bashkortostan, a republic of 5m people in the western Urals which is as large as Britain. There, Mr Mustaza Rakhimov, the president, has adopted a constitution that defines the republic as "sovereign", and signed a treaty with Moscow that underpins this status.

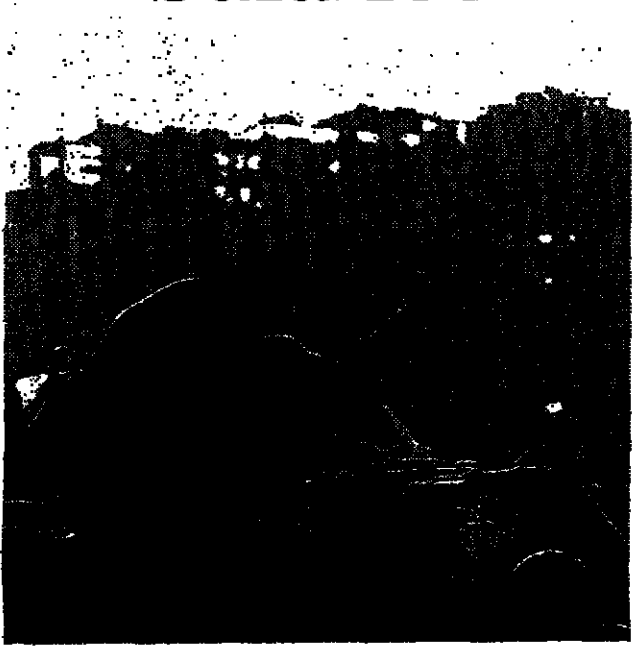
Relations with Moscow are cast in the form of a devolution of power from the federal to the regional level, but in the ceding of particular functions - foreign affairs, defence, macro-economic management - to the centre.

According to Mr Vsevolod Samuilov, head of the constitutional department in the Bashkir government: "The constitution of the sovereign state is there and we have agreed with Russia the areas which it takes over and which we share. The rest - the greatest part - is ours."

Mr Samuilov and his colleagues in Ufa, the tranquil Bashkir capital, stress the peacefulness and rationality of the arrangement. The ethnic balance is delicate and is delicately handled: the Bashkirs are only the third largest ethnic group, after the Russians and the Tatars. Both the Bashkirs and the Tatars have Moslem traditions, but the revival of their religion is moderate.

All of this is in sharp contrast to the carnage in Chechnya. "Chechnya could have

A delicate balance



The carnage in Chechnya may not be repeated elsewhere

been settled without all that," says Mr Yuri Dymov, the leader of Bashkortostan's parliament. It could have had what we have."

Mr Dymov is probably right to suggest that all-producing Chechnya could have secured sovereignty just as Bashkortostan and Tatarstan have. Negotiations were scheduled last May between President Boris Yeltsin and Mr Dzhokhar Dudayev, the Chechen separatist leader.

Other turbulent regions in the former Soviet Union are now looking more closely at the "sovereignty" solution. A recent conference in The Hague organised by the Harvard Conflict Management Group and the International Research and Exchange Board, a US foundation that supports research in the area, brought together the warring sides in several conflicts in the former Soviet Union. Participants included Georgians and Abkhazian separatists, Moldovans and representatives of

the breakaway republic of Trans Dniestr, and Ukrainians and Crimeans campaigning for freedom from Ukraine.

They studied the experience of "sovereign" Tatarstan, which has adopted a similar model to its Bashkir neighbour, under the guidance of Mr Mintimer Shaimiev, the Tatar president. Mr Shaimiev later reported on the session to Mr Yeltsin, who appeared to give official approval to the model.

The "sovereignty" of "Tatarstan and Bashkortostan are clearly preferable to the bloodshed in Chechnya. But this sort of arrangement is likely to be available only to relatively wealthy regions and republics that pay more into the federal budget than they receive. Moscow is unlikely to be so generous with parts the federation that rely on the centre for finance."

As Mr Dymov of Bashkortostan says: "We are a donor republic: we pay much more to the budget than we get. The

agreement with the centre that we have has to be different from that with - say - Kalmykia [a poor, subsidised republic]."

The outcome will be a dozen or so rich "donor" regions and republics enjoying differing but superior rights over 70 or more dependent areas in which the centre's writ more or less runs because it pays the bills.

One consequence of giving greater sovereignty to the richest regions and republics is to reduce Moscow's tax revenues. According to Professor Philip Hanson of Birmingham university, speaking at The Hague seminar: "The economists in Moscow don't like the system because it tends to deepen the fiscal crisis of the state."

Professor Hurst Hannum of the Fletcher School of Law and Diplomacy at Tufts university in Medford, Massachusetts, told the conference that he thought the federation's structure would need further rethinking in another five to 10 years. "In theory, asymmetry is a great system," he said. "In practice it is impossible, except where you have one or two clear exceptions on which everyone can agree. In Russia there are dozens who claim exceptional status."

Inside Russia, opposition to weakening the federation is creating unusual alliances. One supporter of a stronger centre is Mr Alexander Nevzorov, the ultra-nationalist television presenter famed for his zany, bigoted documentaries. Another is Mr Sergei Kovalev, Mr Yeltsin's human rights commissioner, who more than any other figure focused attention on the enormity of the Chechen conflict.

"You get the government promising the regions one thing, the president another, the Duma [parliament] still another," he says. "Some of them are not even observing a civilised criminal code. You cannot allow that."

The sovereignty model creates a federalism so arbitrary and asymmetrical that its consequence is likely to be a patchwork collection of territories in which there is less central coherence - or authority - than in the European Union.

Attractive though it may be to the aftermath of Chechnya, it is unlikely to offer a permanent solution.

The standard of morality is exceedingly debased... The bonds of domestic sympathy are too generally relaxed; and as a consequence, the filial and paternal duties are uncultivated.

That was Sir James Kay-Shuttleworth, a leading mid-Victorian philanthropist. There is nothing new in decrying the decay of family life, and now saying that laxity today threatens social disintegration tomorrow.

One of the merits of this week's Joseph Rowntree Foundation report on trends in UK family life is its refusal to fuel what Mr David Utting, its author, terms the "moral panic" affecting much political commentary on the subject.

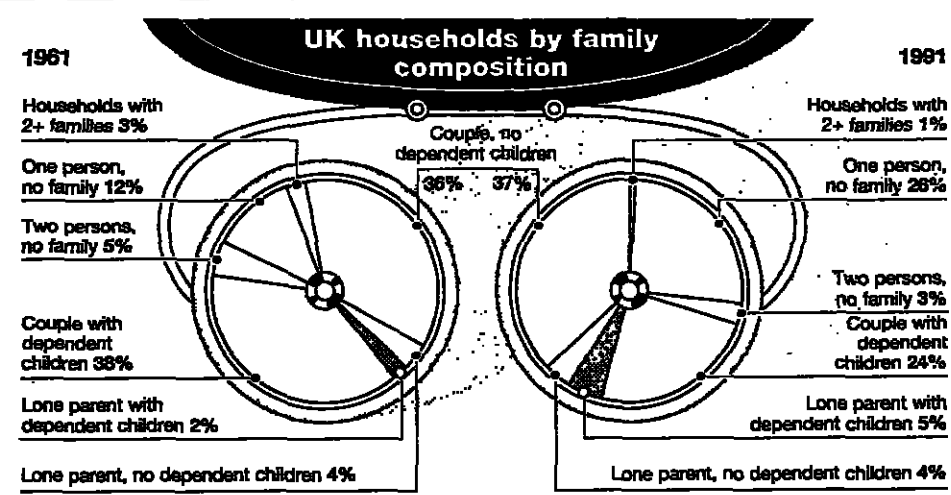
Resolutely empirical, the report gives a balanced assessment of trends in family life, an issue now intensely debated not only in the West but also in Asia. While acknowledging the escalating divorce rate and the increase in the number of lone parent families, the report sets them against trends such as later marriage, the rising and sometimes unrealistic expectations of those entering marriage, and improvements in housing for low-income families.

The death of the family is "greatly exaggerated", the report concludes. There is support for this argument from bodies such as Dateline, the dating agency, and Relate, the marriage guidance organisation.

The dating agency industry, a creation of the supposedly morally lax 1960s, has seen its business grow by about 25 per cent in the past two years, but Dateline says that almost all of those registering are looking for marriage, not short-term relationships. Marriage is far from unfashionable in Britain, even among divorcees.

Ms Denise Knowles, a Relate counsellor, blames the rising divorce rate on the fact that "people increasingly expect their lives to be perfect". She says: "Expectations of marriage are now incredibly high, and sometimes perhaps a wee bit unrealistic."

This raises a significant question which rarely features in reports on the "disintegration" of family life: how much of the increase in divorce is due to breakdowns in relationships, in previous generations, had to be contained within continued marriage?



Parents home alone

There is no need for moral panic about the family, say Andrew Adonis and Simon Kuper

The Rowntree report casts light on this issue by citing a 1980s US study. This found crime to be nearly twice as common among men raised in "intact" two-parent homes where the parents were in conflict as it was among those who grew up in one-parent families headed by an affectionate mother. Marriage and divorce do not lend themselves easily to moral absolutism.

The Rowntree report notes that eight out of 10 households with dependent children are headed by two parents. Allowing for the 7 per cent where dependent children are living with step-parents, three-quarters of families are still "conventional".

The most serious problems identified by the report are the poverty and diminished opportunities prevalent among the one in five households headed by a lone parent. Nine in 10 single mothers receive income support, and the absence of affordable childcare, plus restrictive rules on the withdrawal of benefit for those working part time, are "trapping parents on benefit who want paid work".

The implication is clear: rather than launching a crusade to "restore family values", politicians would be well advised to tackle the causes of family break-up and the evils of lone parent poverty.

There is no shortage of policy initiatives that could be pursued to that end. High on

the agenda are state nursery provision, tax relief for childcare, and a reform of the benefits system to make it easier for single mothers to take paid work. Legal changes to clarify the rights of cohabiting parents, and a reform of marriage mediation services to make them more accessible and effective, are other policies likely to come to the fore.

However, taking a broader view of the future of family life, culture plays as big a role as policy in forging family values and patterns of behaviour.

A couple of ethnic perspectives reinforce the point. The first is the remarkably divergent behaviour of ethnic groups in the UK. More than 5 per cent of the population belong to ethnic minorities, nearly half of whom were born in the country.

The 68 per cent figure for marriage among the general adult population falls to 38 per cent for black Caribbean and 47 per cent among black Africans, but rises to 70 per cent among the Bangladeshi, Indian and Pakistani communities. One-parent families are more common among black families than other ethnic groups.

The indigenous experience of Asian societies, therefore, also merits serious attention. A vibrant debate is currently taking place within the economically successful Asian "tiger" states about "Asian values"

and their relationship with "western" values. The debate largely focuses on what many Asian leaders see as the declining social cohesion of western states - a function not just of their supposed "moral laxity", but the lesser emphasis given by the population at large to education, social improvement and the responsibilities of extended families.

The debate is given potency by the fact that most of the supposed "Asian values" turn out to be eminently western values, such as "family as the basic unit of society" and "community support and respect for the individual". As Professor Chan Heng Chee, director of the Singapore International Foundation and a former ambassador to the United Nations, remarks, it is not the values, but the social context in which they operate, which is different between Asia and the west.

"A great deal of Singapore's economic success is attributable to the union of these values with the social reality of Asia, which still places a high premium on the mutual dependency of the extended family," she says.

Such views may be unpalatable to the western liberal mind, but they will need to be addressed if an intelligent debate is to take place on the future of the British family. ** Family and Parenthood, Joseph Rowntree Foundation, 40 Water End, York YO3 6LP*

Union pursuing sound financial strategy

From Mr Roger Lyons.

Sir, Your article concerning the finances of MSF includes inaccuracies which misrepresent a trade union operating successfully in a hostile climate ("Union freezes staff pay as deficit grows", February 22).

The union, which has an annual turnover of more than £20m, is committed to a sound financial strategy which has seen a reduction in historic debt from £14m to £3m in just three years. This policy and schedule of repayments continues as normal.

However, following nine solid months of financial surpluses in the final two months of last year have shown a deficit. This operating deficit is short term and is being tackled through good housekeeping measures and pro-active recruitment campaigns. In addition, the effects of a pre-planned subscriptions rise from January this year will be felt in the spring.

Two points of factual error must be corrected. First, the union has not lost 5 per cent of its income from members who

did not sign up to have their subscriptions deducted from salary. Only 60 per cent of our members pay in this way and we were successful in retaining 95 per cent of those, making a total loss in membership income of only 3 per cent.

Second, your headline of a staff pay freeze is wrong. As the article stated, pay negotiations have simply been suspended for the time being, but a commitment has been given that talks will be restarted with staff representatives at the earliest appropriate moment.

It is interesting to note that actions which would be termed good housekeeping by private companies are reported in such a way when implemented by a trade union acting in a financially responsible manner to fully protect its services to members and staff.

Roger Lyons, general secretary, MSF, Park House, 64-66 Wandsworth Common, North Side, London SW18 2SE, UK

LETTERS TO THE EDITOR

Number One Southwark Bridge, London SE1 9HL

We are keen to encourage letters from readers around the world. Letters may be faxed to +44 171-873 5836 (please set fax to 'line'). Translation may be available for letters written in the main international languages.

UK recovery not mainly 'export driven'

From Mr M.C. Fitzpatrick.

Sir, Most analysts attribute a substantial part of the current UK recovery to the improved performance of net trade between the UK and overseas.

Commentators refer consistently to "the UK's export-led growth"; meanwhile, the November 29 1994 Budget Red Book attributes "about half" of the economic growth in 1994, at that time, to the improvement in net trade (that is, exports rising more

quickly than imports).

The reality is rather different from this. Based on recent UK gross domestic product figures released by the Central Statistical Office (CSO) on February 22 1995, the economy grew by some 3.5 per cent in real terms between 1993 and 1994.

The CSO figures identify the five main variables within GDP, and I calculate the approximate contribution of each variable to the above 3.5 per cent growth rate as follows:

| | |
|------------------------|------|
| Consumer spending | 7/20 |
| Investment | 3/20 |
| Net trade | 1/4 |
| Stock building | 3/20 |
| Government consumption | 1/10 |

Net trade thus accounted for only about one quarter of the GDP growth for the period concerned. It should also be noted that around half of this contribution from net trade was down to a favourable movement in net oil and gas exports as a result of the recent large

increase in North Sea oil and gas production, which increase has now apparently plateaued.

All credit to our exporters for their contribution to hoisting UK GDP. However, the next time you hear an analyst talking about an "export driven" recovery, treat it with a pinch of salt.

M.C. Fitzpatrick, senior tax consultant, Chantrey Vellacott, Russell Square House, 10-12 Russell Square, London WC1B 3EP, UK

Crown estate commissioners' salmon netting interests cut back

From Lord Mansfield.

Sir, I was disappointed that Tom Fort perpetuates the myth that the crown estate commissioners continue to have a significant involvement in coastal netting stations around Scotland's coastline ("The longest

journey for the noble salmon", February 18).

In fact, since 1988 we have, through a policy of phased withdrawal, reduced our coastal netting interests by some 75 per cent. Those stations still currently let have a

wide variety of catch but account for only some 4 per cent of all salmon and grise caught in Scotland.

The crown estate maintains its interest in a considerable number of salmon river fishings in Scotland which are the

subject of an active fisheries management programme.

Mansfield, first crown estate commissioner and chairman, The Crown Estate, 16 Carlton Terrace, London SW1Y 5AH, UK

French attitude ignores primacy of English

From Mr Gary Levinson.

Sir, Your article "France seeks to deepen ties with Germany" (February 20) states that Balladur seeks "the blurring of the primacy of English" by requiring two foreign languages in European schools.

That is exactly the case. Now that English has become the *de facto* Esperanto of Europe (and beyond), it seems to me that if they were really interested in European integration and cultural exchange, Balladur and the French would have their and other countries' students

master English in order that all Europeans might speak at least one foreign language well instead of dabbling in two. If French has maintained its primacy as the international *lingua franca*, would Mr Balladur be as enthusiastic for two foreign languages to be taught in French schools? I think not. I believe in French they call this "ce soir grapes".

Gary Levinson, managing editor, *New Renaissance*, Weissenauer Weg 4, D-55129 Mainz, Germany

Too removed to understand

From Mr Helmut Winkler.

Sir, Top executives are perhaps the wrong target to question over the pros and cons of a single European currency. They are so far removed from complications arising from currency movements, with the costs engendered in the translation of one into another, that one doubts their ability to respond other than in a way which is coloured by their

personal prejudices.

The enormous restrictions to trade will become obvious, once these are lifted. Just imagine the type of backwater the US would be with 50 independent currencies. Helmut Winkler, *Winkler Bay*, Jerome Road, Norton Canes, Camock, Staffs W11 8UT, UK

FT MANAGED FUNDS SERVICE

FT Cityline Unit Trust Prices are available over the telephone. Call the FT Cityline Help Desk on (+44 71) 873 4376 for more details.

AUTHORISED UNIT TRUSTS

Asia Pacific Unit Trusts

| Unit Trust | Unit Price | NAV |
|-------------------------------|------------|------|
| Asia Pacific Growth Fund | 1.00 | 1.00 |
| Asia Pacific Income Fund | 1.00 | 1.00 |
| Asia Pacific Bond Fund | 1.00 | 1.00 |
| Asia Pacific Equity Fund | 1.00 | 1.00 |
| Asia Pacific Multi-Asset Fund | 1.00 | 1.00 |

Global Unit Trusts

| Unit Trust | Unit Price | NAV |
|-------------------------|------------|------|
| Global Growth Fund | 1.00 | 1.00 |
| Global Income Fund | 1.00 | 1.00 |
| Global Bond Fund | 1.00 | 1.00 |
| Global Equity Fund | 1.00 | 1.00 |
| Global Multi-Asset Fund | 1.00 | 1.00 |

UK Unit Trusts

| Unit Trust | Unit Price | NAV |
|---------------------|------------|------|
| UK Growth Fund | 1.00 | 1.00 |
| UK Income Fund | 1.00 | 1.00 |
| UK Bond Fund | 1.00 | 1.00 |
| UK Equity Fund | 1.00 | 1.00 |
| UK Multi-Asset Fund | 1.00 | 1.00 |

Other Unit Trusts

| Unit Trust | Unit Price | NAV |
|------------------------|------------|------|
| Other Growth Fund | 1.00 | 1.00 |
| Other Income Fund | 1.00 | 1.00 |
| Other Bond Fund | 1.00 | 1.00 |
| Other Equity Fund | 1.00 | 1.00 |
| Other Multi-Asset Fund | 1.00 | 1.00 |

Asia Pacific Unit Trusts

| Unit Trust | Unit Price | NAV |
|-------------------------------|------------|------|
| Asia Pacific Growth Fund | 1.00 | 1.00 |
| Asia Pacific Income Fund | 1.00 | 1.00 |
| Asia Pacific Bond Fund | 1.00 | 1.00 |
| Asia Pacific Equity Fund | 1.00 | 1.00 |
| Asia Pacific Multi-Asset Fund | 1.00 | 1.00 |

Global Unit Trusts

| Unit Trust | Unit Price | NAV |
|-------------------------|------------|------|
| Global Growth Fund | 1.00 | 1.00 |
| Global Income Fund | 1.00 | 1.00 |
| Global Bond Fund | 1.00 | 1.00 |
| Global Equity Fund | 1.00 | 1.00 |
| Global Multi-Asset Fund | 1.00 | 1.00 |

UK Unit Trusts

| Unit Trust | Unit Price | NAV |
|---------------------|------------|------|
| UK Growth Fund | 1.00 | 1.00 |
| UK Income Fund | 1.00 | 1.00 |
| UK Bond Fund | 1.00 | 1.00 |
| UK Equity Fund | 1.00 | 1.00 |
| UK Multi-Asset Fund | 1.00 | 1.00 |

Other Unit Trusts

| Unit Trust | Unit Price | NAV |
|------------------------|------------|------|
| Other Growth Fund | 1.00 | 1.00 |
| Other Income Fund | 1.00 | 1.00 |
| Other Bond Fund | 1.00 | 1.00 |
| Other Equity Fund | 1.00 | 1.00 |
| Other Multi-Asset Fund | 1.00 | 1.00 |

Asia Pacific Unit Trusts

| Unit Trust | Unit Price | NAV |
|-------------------------------|------------|------|
| Asia Pacific Growth Fund | 1.00 | 1.00 |
| Asia Pacific Income Fund | 1.00 | 1.00 |
| Asia Pacific Bond Fund | 1.00 | 1.00 |
| Asia Pacific Equity Fund | 1.00 | 1.00 |
| Asia Pacific Multi-Asset Fund | 1.00 | 1.00 |

Global Unit Trusts

| Unit Trust | Unit Price | NAV |
|-------------------------|------------|------|
| Global Growth Fund | 1.00 | 1.00 |
| Global Income Fund | 1.00 | 1.00 |
| Global Bond Fund | 1.00 | 1.00 |
| Global Equity Fund | 1.00 | 1.00 |
| Global Multi-Asset Fund | 1.00 | 1.00 |

UK Unit Trusts

| Unit Trust | Unit Price | NAV |
|---------------------|------------|------|
| UK Growth Fund | 1.00 | 1.00 |
| UK Income Fund | 1.00 | 1.00 |
| UK Bond Fund | 1.00 | 1.00 |
| UK Equity Fund | 1.00 | 1.00 |
| UK Multi-Asset Fund | 1.00 | 1.00 |

Other Unit Trusts

| Unit Trust | Unit Price | NAV |
|------------------------|------------|------|
| Other Growth Fund | 1.00 | 1.00 |
| Other Income Fund | 1.00 | 1.00 |
| Other Bond Fund | 1.00 | 1.00 |
| Other Equity Fund | 1.00 | 1.00 |
| Other Multi-Asset Fund | 1.00 | 1.00 |

Asia Pacific Unit Trusts

| Unit Trust | Unit Price | NAV |
|-------------------------------|------------|------|
| Asia Pacific Growth Fund | 1.00 | 1.00 |
| Asia Pacific Income Fund | 1.00 | 1.00 |
| Asia Pacific Bond Fund | 1.00 | 1.00 |
| Asia Pacific Equity Fund | 1.00 | 1.00 |
| Asia Pacific Multi-Asset Fund | 1.00 | 1.00 |

Global Unit Trusts

| Unit Trust | Unit Price | NAV |
|-------------------------|------------|------|
| Global Growth Fund | 1.00 | 1.00 |
| Global Income Fund | 1.00 | 1.00 |
| Global Bond Fund | 1.00 | 1.00 |
| Global Equity Fund | 1.00 | 1.00 |
| Global Multi-Asset Fund | 1.00 | 1.00 |

UK Unit Trusts

| Unit Trust | Unit Price | NAV |
|---------------------|------------|------|
| UK Growth Fund | 1.00 | 1.00 |
| UK Income Fund | 1.00 | 1.00 |
| UK Bond Fund | 1.00 | 1.00 |
| UK Equity Fund | 1.00 | 1.00 |
| UK Multi-Asset Fund | 1.00 | 1.00 |

Other Unit Trusts

| Unit Trust | Unit Price | NAV |
|------------------------|------------|------|
| Other Growth Fund | 1.00 | 1.00 |
| Other Income Fund | 1.00 | 1.00 |
| Other Bond Fund | 1.00 | 1.00 |
| Other Equity Fund | 1.00 | 1.00 |
| Other Multi-Asset Fund | 1.00 | 1.00 |

Asia Pacific Unit Trusts

| Unit Trust | Unit Price | NAV |
|-------------------------------|------------|------|
| Asia Pacific Growth Fund | 1.00 | 1.00 |
| Asia Pacific Income Fund | 1.00 | 1.00 |
| Asia Pacific Bond Fund | 1.00 | 1.00 |
| Asia Pacific Equity Fund | 1.00 | 1.00 |
| Asia Pacific Multi-Asset Fund | 1.00 | 1.00 |

Global Unit Trusts

| Unit Trust | Unit Price | NAV |
|-------------------------|------------|------|
| Global Growth Fund | 1.00 | 1.00 |
| Global Income Fund | 1.00 | 1.00 |
| Global Bond Fund | 1.00 | 1.00 |
| Global Equity Fund | 1.00 | 1.00 |
| Global Multi-Asset Fund | 1.00 | 1.00 |

UK Unit Trusts

| Unit Trust | Unit Price | NAV |
|---------------------|------------|------|
| UK Growth Fund | 1.00 | 1.00 |
| UK Income Fund | 1.00 | 1.00 |
| UK Bond Fund | 1.00 | 1.00 |
| UK Equity Fund | 1.00 | 1.00 |
| UK Multi-Asset Fund | 1.00 | 1.00 |

Other Unit Trusts

| Unit Trust | Unit Price | NAV |
|------------------------|------------|------|
| Other Growth Fund | 1.00 | 1.00 |
| Other Income Fund | 1.00 | 1.00 |
| Other Bond Fund | 1.00 | 1.00 |
| Other Equity Fund | 1.00 | 1.00 |
| Other Multi-Asset Fund | 1.00 | 1.00 |

Asia Pacific Unit Trusts

| Unit Trust | Unit Price | NAV |
|-------------------------------|------------|------|
| Asia Pacific Growth Fund | 1.00 | 1.00 |
| Asia Pacific Income Fund | 1.00 | 1.00 |
| Asia Pacific Bond Fund | 1.00 | 1.00 |
| Asia Pacific Equity Fund | 1.00 | 1.00 |
| Asia Pacific Multi-Asset Fund | 1.00 | 1.00 |

Global Unit Trusts

| Unit Trust | Unit Price | NAV |
|-------------------------|------------|------|
| Global Growth Fund | 1.00 | 1.00 |
| Global Income Fund | 1.00 | 1.00 |
| Global Bond Fund | 1.00 | 1.00 |
| Global Equity Fund | 1.00 | 1.00 |
| Global Multi-Asset Fund | 1.00 | 1.00 |

UK Unit Trusts

| Unit Trust | Unit Price | NAV |
|---------------------|------------|------|
| UK Growth Fund | 1.00 | 1.00 |
| UK Income Fund | 1.00 | 1.00 |
| UK Bond Fund | 1.00 | 1.00 |
| UK Equity Fund | 1.00 | 1.00 |
| UK Multi-Asset Fund | 1.00 | 1.00 |

Other Unit Trusts

| Unit Trust | Unit Price | NAV |
|------------------------|------------|------|
| Other Growth Fund | 1.00 | 1.00 |
| Other Income Fund | 1.00 | 1.00 |
| Other Bond Fund | 1.00 | 1.00 |
| Other Equity Fund | 1.00 | 1.00 |
| Other Multi-Asset Fund | 1.00 | 1.00 |

Asia Pacific Unit Trusts

| Unit Trust | Unit Price | NAV |
|-------------------------------|------------|------|
| Asia Pacific Growth Fund | 1.00 | 1.00 |
| Asia Pacific Income Fund | 1.00 | 1.00 |
| Asia Pacific Bond Fund | 1.00 | 1.00 |
| Asia Pacific Equity Fund | 1.00 | 1.00 |
| Asia Pacific Multi-Asset Fund | 1.00 | 1.00 |

Global Unit Trusts

| Unit Trust | Unit Price | NAV |
|-------------------------|------------|------|
| Global Growth Fund | 1.00 | 1.00 |
| Global Income Fund | 1.00 | 1.00 |
| Global Bond Fund | 1.00 | 1.00 |
| Global Equity Fund | 1.00 | 1.00 |
| Global Multi-Asset Fund | 1.00 | 1.00 |

UK Unit Trusts

| Unit Trust | Unit Price | NAV |
|---------------------|------------|------|
| UK Growth Fund | 1.00 | 1.00 |
| UK Income Fund | 1.00 | 1.00 |
| UK Bond Fund | 1.00 | 1.00 |
| UK Equity Fund | 1.00 | 1.00 |
| UK Multi-Asset Fund | 1.00 | 1.00 |

Other Unit Trusts

| Unit Trust | Unit Price | NAV |
|------------------------|------------|------|
| Other Growth Fund | 1.00 | 1.00 |
| Other Income Fund | 1.00 | 1.00 |
| Other Bond Fund | 1.00 | 1.00 |
| Other Equity Fund | 1.00 | 1.00 |
| Other Multi-Asset Fund | 1.00 | 1.00 |

Asia Pacific Unit Trusts

| Unit Trust | Unit Price | NAV |
|-------------------------------|------------|------|
| Asia Pacific Growth Fund | 1.00 | 1.00 |
| Asia Pacific Income Fund | 1.00 | 1.00 |
| Asia Pacific Bond Fund | 1.00 | 1.00 |
| Asia Pacific Equity Fund | 1.00 | 1.00 |
| Asia Pacific Multi-Asset Fund | 1.00 | 1.00 |

Global Unit Trusts

| Unit Trust | Unit Price | NAV |
|-------------------------|------------|------|
| Global Growth Fund | 1.00 | 1.00 |
| Global Income Fund | 1.00 | 1.00 |
| Global Bond Fund | 1.00 | 1.00 |
| Global Equity Fund | 1.00 | 1.00 |
| Global Multi-Asset Fund | 1.00 | 1.00 |

UK Unit Trusts

| Unit Trust | Unit Price | NAV |
|---------------------|------------|------|
| UK Growth Fund | 1.00 | 1.00 |
| UK Income Fund | 1.00 | 1.00 |
| UK Bond Fund | 1.00 | 1.00 |
| UK Equity Fund | 1.00 | 1.00 |
| UK Multi-Asset Fund | 1.00 | 1.00 |

Other Unit Trusts

| Unit Trust | Unit Price | NAV |
|------------------------|------------|------|
| Other Growth Fund | 1.00 | 1.00 |
| Other Income Fund | 1.00 | 1.00 |
| Other Bond Fund | 1.00 | 1.00 |
| Other Equity Fund | 1.00 | 1.00 |
| Other Multi-Asset Fund | 1.00 | 1.00 |

Guide to pricing of Authorised Unit Trusts

Compiled with the assistance of AUTIF 55

INITIAL CHARGE: Charge made by a unit manager when a unit is first purchased. This charge is included in the unit price of the unit.

BUYING PRICE: Also called offer price. The price at which units are bought by investors.

SELLING PRICE: Also called bid price. The price at which units are sold by investors.

TREATMENT OF MANAGERS' PERIODIC CHARGES: The letter F denotes that the unit manager's periodic charges are included in the unit price of the unit. The letter G denotes that the unit manager's periodic charges are not included in the unit price of the unit.

EXIT CHARGES: The letter E denotes that an exit charge may be made when you sell units. Contact the manager for full details.

TIME: The time shown alongside the fund manager's name is the time of the unit's latest valuation. The time shown alongside the unit price is the time of the unit's latest valuation. The time shown alongside the unit price is the time of the unit's latest valuation.

Other explanatory notes are contained in the last column of the FT Managed Funds Service.

77% GROWTH OVER FIVE YEARS

1st IN ITS SECTOR

18% AHEAD OF OUR CLOSEST RIVAL

Since February 1990 the F&B Investment Trust Fund has significantly outperformed every other unit trust fund in the Investment Trust sector.

For full details please call Malcolm F Murray or Nigel Darnley on 0171 588 6111 or Fax 0171 256 5505.

Until now, the city's best kept secret...
FOSTER & BRATTHWAITE
FUND MANAGEMENT LTD

* Source: Mifund, offer to bid; net income reinvested 1.2.90 to 1.2.95. Please note: The value of units, and the income from them, can fall as well as rise and you may not receive back all the money you invested.

صندوق الاستثمار

FT MANAGED FUNDS SERVICE

● FT Cityline Unit Trust Prices are available over the telephone. Call the FT Cityline Help Desk on (+44 71) 873 4378 for more details.

| Lancashire National - Credit | | Midland Life Limited - Credit | | Prudential Capital Life Assn. Co Ltd - Credit | | S-F Services Life Assurance Co Ltd | | Standard Life Assurance Co Ltd | | Target Life Assurance Co Ltd - Credit | | PS Capital Management PLC | | Carter Allen Ltd | |
|------------------------------|------------|-------------------------------|------------|---|------------|------------------------------------|------------|--------------------------------|------------|---------------------------------------|------------|---------------------------|------------|------------------|------------|
| Unit Name | Unit Price | Unit Name | Unit Price | Unit Name | Unit Price | Unit Name | Unit Price | Unit Name | Unit Price | Unit Name | Unit Price | Unit Name | Unit Price | Unit Name | Unit Price |
| ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... |

Money Market Trust Funds

Money Market Bank Accounts

MANAGEMENT SERVICES

| Service | Company | Details |
|---------|---------|---------|
| ... | ... | ... |

PURE INVESTMENT.



(NO ADDITIVES.)

February sees the launch of Investment Adviser, a brand new weekly newspaper exclusively for investment professionals. However, there's much you'll find familiar, such as the instinctive authority and insight of the Financial Times. You may also recognise the international scope of its journalism - something only a publication that draws upon the worldwide resources of the FT can provide. Not least, you'll find the investment tips and gossip that move markets. Which fund managers are investing where. Who's moving to whom. And for how much ("How much!"). It all adds up to Investment Adviser becoming the indispensable weekly, pure and simple. To ensure you are on the distribution list, fax your details to us on 0171 242 2439.



صباحنا من الامل

LONDON STOCK EXCHANGE

MARKET REPORT

Weak close as UK political worries circulate

By Terry Byland, UK Stock Market Editor

Second thoughts on US interest rates, together with increased political concerns at home, set the stage for a setback in UK equities yesterday. The final hour of trading saw shares sliding lower as the early deals in New York sent the Dow Industrial Average below the 4,000 level reached only in the previous session.

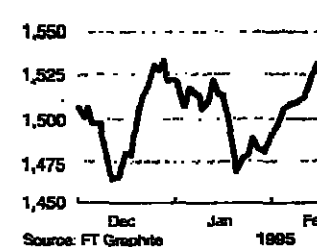
The mood turned cautious as the London opening was marred by eased after comments in the US overnight by Mr Alan Blinder, vice-chairman of the US Federal Reserve Board. He said that he had never

meant to suggest that the Fed might lower interest rates. Also bearish for markets was the latest monthly survey of industrial trends from the Confederation of British Industry.

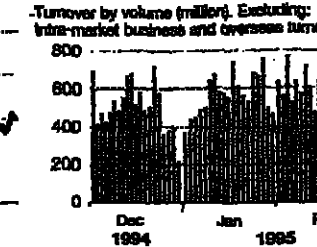
UK gilts extended their falls during the morning but equities rallied from early losses, hoping that Wall Street might build on its successful breach of the 4,000 mark. But the first hour of the new session on Wall Street undermined such hopes.

At the close, the FT-SE 100 Share Index was down 11.6 points at 3,037.7. Although this was still comfortably above the day's low of 3,033.2, the market was looking weak. The focus was entirely on the

FT-SE-A All-Share Index



Equity Shares Traded



Indices and ratios

| | | |
|-----------------|--------|------|
| FT-SE 100 | 3037.7 | +6.4 |
| FT-SE 100 Index | 3037.7 | +6.4 |
| FT-SE 100 Index | 3037.7 | +6.4 |
| FT-SE 100 Index | 3037.7 | +6.4 |
| FT-SE 100 Index | 3037.7 | +6.4 |

FT-SE 100 Index

| | |
|---------------------------------|--------|
| Closing index for Feb 24 | 3037.7 |
| Change over week | +4.5 |
| Feb 23 | 3049.3 |
| Feb 22 | 3018.5 |
| Feb 21 | 3023.4 |
| Feb 20 | 3018.6 |
| High | 3049.3 |
| Low | 3008.6 |
| Intra-day high and low for week | |

TRADING VOLUME IN MAJOR STOCKS

| Vol. 000s | Closing price | Day's price change |
|-------------------|---------------|--------------------|
| BP | 240 | +0.1 |
| British Airways | 2,200 | +0.1 |
| British Telecom | 2,200 | +0.1 |
| British Petroleum | 2,200 | +0.1 |
| British Steel | 2,200 | +0.1 |
| British Water | 2,200 | +0.1 |
| British Airways | 2,200 | +0.1 |
| British Telecom | 2,200 | +0.1 |
| British Petroleum | 2,200 | +0.1 |
| British Steel | 2,200 | +0.1 |
| British Water | 2,200 | +0.1 |

EQUITY FUTURES AND OPTIONS TRADING

| Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec |
|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| 3040.0 | 3037.7 | 3035.4 | 3033.1 | 3030.8 | 3028.5 | 3026.2 | 3023.9 | 3021.6 | 3019.3 |
| 3040.0 | 3037.7 | 3035.4 | 3033.1 | 3030.8 | 3028.5 | 3026.2 | 3023.9 | 3021.6 | 3019.3 |
| 3040.0 | 3037.7 | 3035.4 | 3033.1 | 3030.8 | 3028.5 | 3026.2 | 3023.9 | 3021.6 | 3019.3 |
| 3040.0 | 3037.7 | 3035.4 | 3033.1 | 3030.8 | 3028.5 | 3026.2 | 3023.9 | 3021.6 | 3019.3 |
| 3040.0 | 3037.7 | 3035.4 | 3033.1 | 3030.8 | 3028.5 | 3026.2 | 3023.9 | 3021.6 | 3019.3 |

Advance in life sector

The life assurance sector provided the second best performance in the FT-SE 100 in Prudential Group as well as the top three performers in the Mid 250 index in United Kingdom.

United Friendly will now be allowed to distribute 10 per cent of the surplus from its "orphan fund" - money unclaimed by beneficiaries of deceased policyholders - to shareholders.

The 10 per cent, worth £27m, would provide a sharp boost to dividends, analysts said. They added that other life companies, notably Britannia and Refuge, would now be in a position to go down the same path as United Friendly.

Mr Youssef Zia, insurance specialist at Morgan Stanley, the US investment bank, said the agreement with the DTI would allow United Friendly, Britannia and Refuge to move closer to ratings for other insurance stocks.

The Morgan Stanley analyst said he saw significant upside in share prices of the three stocks, notably in Britannia, where he said the shares could move up 50 per cent to take them to a 7 per cent yield. He forecast 35 per cent upside in Refuge and 10 per cent upside in United Friendly.

United Friendly shares leapt 52 to 606p after turnover of 3.8m, the highest ever in a single session. Britannia raced up 71 to 505p on 3.4m traded and Refuge jumped 39 to 322p.

Sentiment in Prudential was given a strong push, the shares closing 9 better at 80p on 13m traded, third highest for two years. Legal & General rose 6 to 447p.

Mr Zia said the move on orphan funds would also benefit shareholders in composites with large life funds, such as Commercial Union, General Accident and Sun Alliance. General Accident was the best performer among these, its shares adding 3 to 544p.

NEW HIGHS AND LOWS FOR 1994/95

| NEW HIGHS | NEW LOWS |
|-------------------|----------|
| BP | 240 |
| British Airways | 2,200 |
| British Telecom | 2,200 |
| British Petroleum | 2,200 |
| British Steel | 2,200 |
| British Water | 2,200 |

Rank strong

Leisure giant Rank Organisation recorded the day's biggest rise in the market after a number of stockbrokers recommended the stock.

The shares rose 12 to 378p against the poor market trend, brushing off the gloom that has lingered since last month's announcement that Rank is to reduce its holding in the Rank Xerox joint venture.

An extraordinary general meeting is to be held on Tuesday to vote on the deal.

Kleinwort Benson was among those recommending the shares. In a sector overview, analysts at the securities house pointed investors to the good prospects for the shares.

Robert Fleming turned buyers of the shares saying the retreat since the Rank Xerox announcement had been overdone. Turnover at the

CHIEF PRICE CHANGES YESTERDAY

| Company | Price | Change |
|-------------------|-------|--------|
| BP | 240 | +0.1 |
| British Airways | 2,200 | +0.1 |
| British Telecom | 2,200 | +0.1 |
| British Petroleum | 2,200 | +0.1 |
| British Steel | 2,200 | +0.1 |
| British Water | 2,200 | +0.1 |

Amstrad busy

Amstrad, the electronics group, continued its recent strong performance, the shares moving up 6 more to 159p, after touching a six-month high of 161p at one point.

Turnover in the stock reached 1.8m, the third highest during the past year.

The shares have risen over 20 per cent since the interim figures announced on February 8. There has also been very heavy activity in the traded options since the results.

Analysts expect Amstrad to achieve profits of £2.5m for the full year, with a surge to £25m the following year.

Shell, whose figures were also given a surprisingly poor reception by oil analysts, dropped 12 more to 708p on 9.7m traded, with Kleinwort Benson said to have moved the stock from a hold to a sell and Warburg Securities downgrading Royal Dutch. A persistent institutional sector drove BP down 71 to 404p with 6.1m shares changing hands.

Chemicals group ICI, won the dubious honour of being the market's worst performer in percentage terms. The shares fell 23 to 822p, as dealers reacted to unfavourable comment on the group following its lower than expected full year figures on Thursday.

Smithkline Beecham A jumped 10 to 507p, in hefty trade of 11m, after several brokers reiterated buy recommendations. The group reported favourable figures earlier this week, £57m and Kleinwort Benson were said to have advised investors to buy the stock.

Strauss Turnbul also reiterated its buy stance, saying it expected steady progress at the group this year.

Hotels group Forte was favoured in a Kleinwort Benson review of the sector. UBS, the group's broker, urged investors to buy the shares and they hardened 2 to 238p, on volume of 1.7m.

International conglomerate Hanson dipped 4 to 237p as the tug of sentiment surrounding the group's plan to demerge its US operations continued to create active trading conditions. Turnover in the shares was 8.2m. A note from Robert Fleming Securities saw the arguments about enhanced shareholder value from the demerger as less than compelling in the short-term. But the house believes the shares to be some 7 per cent undervalued, given a 6.3 per cent yield.

FT-SE Actuaries Share Indices

| Day's | 24 | 23 | 22 | 21 | 20 | 19 | 18 | 17 | 16 | 15 | 14 | 13 | 12 | 11 | 10 | 9 | 8 | 7 | 6 | 5 | 4 | 3 | 2 | 1 | 0 |
|-----------|--------|------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| FT-SE 100 | 3037.7 | -0.4 | 3040.3 | 3019.5 | 3023.4 | 3021.2 | 3018.9 | 3016.6 | 3014.3 | 3012.0 | 3009.7 | 3007.4 | 3005.1 | 3002.8 | 3000.5 | 2998.2 | 2995.9 | 2993.6 | 2991.3 | 2989.0 | 2986.7 | 2984.4 | 2982.1 | 2979.8 | 2977.5 |

The UK Series

| Day's | 24 | 23 | 22 | 21 | 20 | 19 | 18 | 17 | 16 | 15 | 14 | 13 | 12 | 11 | 10 | 9 | 8 | 7 | 6 | 5 | 4 | 3 | 2 | 1 | 0 |
|-----------|--------|------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| FT-SE 100 | 3037.7 | -0.4 | 3040.3 | 3019.5 | 3023.4 | 3021.2 | 3018.9 | 3016.6 | 3014.3 | 3012.0 | 3009.7 | 3007.4 | 3005.1 | 3002.8 | 3000.5 | 2998.2 | 2995.9 | 2993.6 | 2991.3 | 2989.0 | 2986.7 | 2984.4 | 2982.1 | 2979.8 | 2977.5 |

FT-SE Actuaries All-Share

| Day's | 24 | 23 | 22 | 21 | 20 | 19 | 18 | 17 | 16 | 15 | 14 | 13 | 12 | 11 | 10 | 9 | 8 | 7 | 6 | 5 | 4 | 3 | 2 | 1 | 0 |
|-----------|--------|------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| FT-SE 100 | 3037.7 | -0.4 | 3040.3 | 3019.5 | 3023.4 | 3021.2 | 3018.9 | 3016.6 | 3014.3 | 3012.0 | 3009.7 | 3007.4 | 3005.1 | 3002.8 | 3000.5 | 2998.2 | 2995.9 | 2993.6 | 2991.3 | 2989.0 | 2986.7 | 2984.4 | 2982.1 | 2979.8 | 2977.5 |

The UK Series

| Day's | 24 | 23 | 22 | 21 | 20 | 19 | 18 | 17 | 16 | 15 | 14 | 13 | 12 | 11 | 10 | 9 | 8 | 7 | 6 | 5 | 4 | 3 | 2 | 1 | 0 |
|-----------|--------|------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| FT-SE 100 | 3037.7 | -0.4 | 3040.3 | 3019.5 | 3023.4 | 3021.2 | 3018.9 | 3016.6 | 3014.3 | 3012.0 | 3009.7 | 3007.4 | 3005.1 | 3002.8 | 3000.5 | 2998.2 | 2995.9 | 2993.6 | 2991.3 | 2989.0 | 2986.7 | 2984.4 | 2982.1 | 2979.8 | 2977.5 |

Hourly movements

| Open | 8.00 | 10.00 | 11.00 | 12.00 | 13.00 | 14.00 | 15.00 | 16.00 | High/Low |
|---------------|--------|--------|--------|--------|--------|--------|--------|--------|---------------|
| FT-SE 100 | 3040.9 | 3042.5 | 3040.4 | 3038.0 | 3041.3 | 3040.7 | 3041.4 | 3042.4 | 3042.2 3037.2 |
| FT-SE Mid 250 | 3408.4 | 3409.0 | 3408.4 | 3407.7 | 3408.5 | 3408.5 | 3408.5 | 3408.5 | 3408.5 3407.2 |
| FT-SE A 350 | 1281.5 | 1281.5 | 1281.5 | 1281.5 | 1281.5 | 1281.5 | 1281.5 | 1281.5 | 1281.5 1281.5 |

Hourly movements

| Open | 8.00 | 10.00 | 11.00 | 12.00 | 13.00 | 14.00 | 15.00 | 16.00 | High/Low |
|---------------|--------|--------|--------|--------|--------|--------|--------|--------|---------------|
| FT-SE 100 | 3040.9 | 3042.5 | 3040.4 | 3038.0 | 3041.3 | 3040.7 | 3041.4 | 3042.4 | 3042.2 3037.2 |
| FT-SE Mid 250 | 3408.4 | 3409.0 | 3408.4 | 3407.7 | 3408.5 | 3408.5 | 3408.5 | 3408.5 | 3408.5 3407.2 |
| FT-SE A 350 | 1281.5 | 1281.5 | 1281.5 | 1281.5 | 1281.5 | 1281.5 | 1281.5 | 1281.5 | 1281.5 1281.5 |

FT-SE Actuaries 350 industry baskets

| Open | 8.00 | 10.00 | 11.00 | 12.00 | 13.00 | 14.00 | 15.00 | 16.00 | High/Low |
|-----------------|--------|--------|--------|--------|--------|--------|--------|--------|---------------|
| Bigg & Chetron | 877.2 | 877.1 | 877.1 | 877.1 | 877.1 | 877.1 | 877.1 | 877.1 | 877.1 877.1 |
| Pharmaceuticals | 3472.5 | 3472.5 | 3472.5 | 3472.5 | 3472.5 | 3472.5 | 3472.5 | 3472.5 | 3472.5 3472.5 |
| Water | 1736.4 | 1736.4 | 1736.4 | 1736.4 | 1736.4 | 1736.4 | 1736.4 | 1736.4 | 1736.4 1736.4 |
| Shares, Retail | 2823.9 | 2823.9 | 2823.9 | 2823.9 | 2823.9 | 2823.9 | 2823.9 | 2823.9 | 2823.9 2823.9 |

FT-SE Actuaries 350 industry baskets

| Open | 8.00 | 10.00 | 11.00 | 12.00 | 13.00 | 14.00 | 15.00 | 16.00 | High/Low |
|-----------------|--------|--------|--------|--------|--------|--------|--------|--------|---------------|
| Bigg & Chetron | 877.2 | 877.1 | 877.1 | 877.1 | 877.1 | 877.1 | 877.1 | 877.1 | 877.1 877.1 |
| Pharmaceuticals | 3472.5 | 3472.5 | 3472.5 | 3472.5 | 3472.5 | 3472.5 | 3472.5 | 3472.5 | 3472.5 3472.5 |
| Water | 1736.4 | 1736.4 | 1736.4 | 1736.4 | 1736.4 | 1736.4 | 1736.4 | 1736.4 | 1736.4 1736.4 |
| Shares, Retail | 2823.9 | 2823.9 | 2823.9 | 2823.9 | 2823.9 | 2823.9 | 2823.9 | 2823.9 | 2823.9 2823.9 |

FT-SE 100

| Open | 8.00 | 10.00 | 11.00 | 12.00 | 13.00 | 14.00 | 15.00 | 16.00 | High/Low |
|---------------|--------|--------|--------|--------|--------|--------|--------|--------|---------------|
| FT-SE 100 | 3040.9 | 3042.5 | 3040.4 | 3038.0 | 3041.3 | 3040.7 | 3041.4 | 3042.4 | 3042.2 3037.2 |
| FT-SE Mid 250 | 3408.4 | 3409.0 | 3408.4 | 3407.7 | 3408.5 | 3408.5 | 3408.5 | 3408.5 | 3408.5 3407.2 |
| FT-SE A 350 | 1281.5 | 1281.5 | 1281.5 | 1281.5 | 1281.5 | 1281.5 | 1281.5 | 1281.5 | 1281.5 1281.5 |

FT-SE 100

| Open | 8.00 | 10.00 | 11.00 | 12.00 | 13.00 | 14.00 | 15.00 | 16.00 | High/Low |
|---------------|--------|--------|--------|--------|--------|--------|--------|--------|---------------|
| FT-SE 100 | 3040.9 | 3042.5 | 3040.4 | 3038.0 | 3041.3 | 3040.7 | 3041.4 | 3042.4 | 3042.2 3037.2 |
| FT-SE Mid 250 | 3408.4 | 3409.0 | 3408.4 | 3407.7 | 3408.5 | 3408.5 | 3408.5 | 3408.5 | 3408.5 3407.2 |
| FT-SE A 350 | 1281.5 | 1281.5 | 1281.5 | 1281.5 | 1281.5 | 1281.5 | 1281.5 | 1281.5 | 1281.5 1281.5 |

FT-SE 100

| Open | 8.00 | 10.00 | 11.00 | 12.00 | 13.00 | 14.00 | 15.00 | 16.00 | High/Low |
|---------------|--------|--------|--------|--------|--------|--------|--------|--------|---------------|
| FT-SE 100 | 3040.9 | 3042.5 | 3040.4 | 3038.0 | 3041.3 | 3040.7 | 3041.4 | 3042.4 | 3042.2 3037.2 |
| FT-SE Mid 250 | 3408.4 | 3409.0 | 3408.4 | 3407.7 | 3408.5 | 3408.5 | 3408.5 | 3408.5 | 3408.5 3407.2 |
| FT-SE A 350 | 1281.5 | 1281.5 | 1281.5 | 1281.5 | 1281.5 | 1281.5 | 1281.5 | 1281.5 | 1281.5 1281.5 |

FT-SE 100

| Open | 8.00 | 10.00 | 11.00 | 12.00 | 13.00 | 14.00 | 15.00 | 16.00 | High/Low |
|---------------|--------|--------|--------|--------|--------|--------|--------|--------|---------------|
| FT-SE 100 | 3040.9 | 3042.5 | 3040.4 | 3038.0 | 3041.3 | 3040.7 | 3041.4 | 3042.4 | 3042.2 3037.2 |
| FT-SE Mid 250 | 3408.4 | 3409.0 | 3408.4 | 3407.7 | 3408.5 | 3408.5 | 3408.5 | 3408.5 | 3408.5 3407.2 |
| FT-SE A 350 | 1281.5 | 1281.5 | 1281.5 | 1281.5 | 1281.5 | 1281.5 | 1281.5 | 1281.5 | 1281.5 1281.5 |

FT-SE 100

| Open | 8.00 | 10.00 | 11.00 | 12.00 | 13.00 | 14.00 | 15.00 | 16.00 | High/Low |
|---------------|--------|--------|--------|--------|--------|--------|--------|--------|---------------|
| FT-SE 100 | 3040.9 | 3042.5 | 3040.4 | 3038.0 | 3041.3 | 3040.7 | 3041.4 | 3042.4 | 3042.2 3037.2 |
| FT-SE Mid 250 | 3408.4 | 3409.0 | 3408.4 | 3407.7 | 3408.5 | 3408.5 | 3408.5 | 3408.5 | 3408.5 3407.2 |
| FT-SE A 350 | 1281.5 | 1281.5 | 1281.5 | 1281.5 | 1281.5 | 1281.5 | 1281.5 | 1281.5 | 1281.5 1281.5 |

FT-SE 100

under a standard set of ground rules. © The International Stock Exchange of the United Kingdom and
 "Pioneers" on job title names and styles (note of the London Stock Exchange and The Financial Times
 are negative. **DELETION** Lombard Insurance (72)

INVESTMENT TRUSTS - Cont.[illegible]

| | | | |
|------------------------|-----|----|-----|
| For & Col East - 100 | 210 | 11 | 100 |
| For & Col German - 100 | 120 | 11 | 100 |
| 100 | 20 | 11 | 100 |

[illegible]

| | | | |
|----------------------|----|----|-----|
| Group 10V | 42 | 11 | 34 |
| Warrants | 16 | 1 | 35 |
| HTB American Rail II | 88 | -3 | 718 |

[illegible]

| | | | |
|-----------------|-------|---|-----|
| Survivorship | 28 | — | 31 |
| Cow Annuity | 140nd | — | 168 |
| Widow's Pension | 20nd | — | 247 |

[illegible]

| | | | |
|-----------------|----|----|-----|
| Personal Assets | 32 | -1 | 120 |
| Warranties | 31 | -1 | 88 |
| Personal Assets | 32 | -1 | 120 |

[illegible]
$$2190 \quad -1\frac{1}{2} \quad 287\frac{1}{2} \quad 2$$

صبرنا من الامل

TRANSPORT - Cont

| FRANCE | | Notes | Pts |
|---------|---|-------|-----|
| 181 Hwy | ✓ | | 104 |
| 182 Hwy | ✓ | | 104 |
| 183 Hwy | ✓ | | 104 |
| 184 Hwy | ✓ | | 104 |
| 185 Hwy | ✓ | | 104 |
| 186 Hwy | ✓ | | 104 |
| 187 Hwy | ✓ | | 104 |
| 188 Hwy | ✓ | | 104 |
| 189 Hwy | ✓ | | 104 |
| 190 Hwy | ✓ | | 104 |
| 191 Hwy | ✓ | | 104 |
| 192 Hwy | ✓ | | 104 |
| 193 Hwy | ✓ | | 104 |
| 194 Hwy | ✓ | | 104 |
| 195 Hwy | ✓ | | 104 |
| 196 Hwy | ✓ | | 104 |
| 197 Hwy | ✓ | | 104 |
| 198 Hwy | ✓ | | 104 |
| 199 Hwy | ✓ | | 104 |
| 200 Hwy | ✓ | | 104 |
| 201 Hwy | ✓ | | 104 |
| 202 Hwy | ✓ | | 104 |
| 203 Hwy | ✓ | | 104 |
| 204 Hwy | ✓ | | 104 |
| 205 Hwy | ✓ | | 104 |
| 206 Hwy | ✓ | | 104 |
| 207 Hwy | ✓ | | 104 |
| 208 Hwy | ✓ | | 104 |
| 209 Hwy | ✓ | | 104 |
| 210 Hwy | ✓ | | 104 |
| 211 Hwy | ✓ | | 104 |
| 212 Hwy | ✓ | | 104 |
| 213 Hwy | ✓ | | 104 |
| 214 Hwy | ✓ | | 104 |
| 215 Hwy | ✓ | | 104 |
| 216 Hwy | ✓ | | 104 |
| 217 Hwy | ✓ | | 104 |
| 218 Hwy | ✓ | | 104 |
| 219 Hwy | ✓ | | 104 |
| 220 Hwy | ✓ | | 104 |
| 221 Hwy | ✓ | | 104 |
| 222 Hwy | ✓ | | 104 |
| 223 Hwy | ✓ | | 104 |
| 224 Hwy | ✓ | | 104 |
| 225 Hwy | ✓ | | 104 |
| 226 Hwy | ✓ | | 104 |
| 227 Hwy | ✓ | | 104 |
| 228 Hwy | ✓ | | 104 |
| 229 Hwy | ✓ | | 104 |
| 230 Hwy | ✓ | | 104 |
| 231 Hwy | ✓ | | 104 |
| 232 Hwy | ✓ | | 104 |
| 233 Hwy | ✓ | | 104 |
| 234 Hwy | ✓ | | 104 |
| 235 Hwy | ✓ | | 104 |
| 236 Hwy | ✓ | | 104 |
| 237 Hwy | ✓ | | 104 |
| 238 Hwy | ✓ | | 104 |
| 239 Hwy | ✓ | | 104 |
| 240 Hwy | ✓ | | 104 |
| 241 Hwy | ✓ | | 104 |
| 242 Hwy | ✓ | | 104 |
| 243 Hwy | ✓ | | 104 |
| 244 Hwy | ✓ | | 104 |
| 245 Hwy | ✓ | | 104 |
| 246 Hwy | ✓ | | 104 |
| 247 Hwy | ✓ | | 104 |
| 248 Hwy | ✓ | | 104 |
| 249 Hwy | ✓ | | 104 |
| 250 Hwy | ✓ | | 104 |
| 251 Hwy | ✓ | | 104 |
| 252 Hwy | ✓ | | 104 |
| 253 Hwy | ✓ | | 104 |
| 254 Hwy | ✓ | | 104 |
| 255 Hwy | ✓ | | 104 |
| 256 Hwy | ✓ | | 104 |
| 257 Hwy | ✓ | | 104 |
| 258 Hwy | ✓ | | 104 |
| 259 Hwy | ✓ | | 104 |
| 260 Hwy | ✓ | | 104 |
| 261 Hwy | ✓ | | 104 |
| 262 Hwy | ✓ | | 104 |
| 263 Hwy | ✓ | | 104 |
| 264 Hwy | ✓ | | 104 |
| 265 Hwy | ✓ | | 104 |
| 266 Hwy | ✓ | | 104 |
| 267 Hwy | ✓ | | 104 |
| 268 Hwy | ✓ | | 104 |
| 269 Hwy | ✓ | | 104 |
| 270 Hwy | ✓ | | 104 |
| 271 Hwy | ✓ | | 104 |
| 272 Hwy | ✓ | | 104 |
| 273 Hwy | ✓ | | 104 |
| 274 Hwy | ✓ | | 104 |
| 275 Hwy | ✓ | | 104 |
| 276 Hwy | ✓ | | 104 |
| 277 Hwy | ✓ | | 104 |
| 278 Hwy | ✓ | | 104 |
| 279 Hwy | ✓ | | 104 |
| 280 Hwy | ✓ | | 104 |
| 281 Hwy | ✓ | | 104 |
| 282 Hwy | ✓ | | 104 |
| 283 Hwy | ✓ | | 104 |
| 284 Hwy | ✓ | | 104 |
| 285 Hwy | ✓ | | 104 |
| 286 Hwy | ✓ | | 104 |
| 287 Hwy | ✓ | | 104 |
| 288 Hwy | ✓ | | 104 |
| 289 Hwy | ✓ | | 104 |
| 290 Hwy | ✓ | | 104 |
| 291 Hwy | ✓ | | 104 |
| 292 Hwy | ✓ | | 104 |
| 293 Hwy | ✓ | | 104 |
| 294 Hwy | ✓ | | 104 |
| 295 Hwy | ✓ | | 104 |
| 296 Hwy | ✓ | | 104 |
| 297 Hwy | ✓ | | 104 |
| 298 Hwy | ✓ | | 104 |
| 299 Hwy | ✓ | | 104 |
| 300 Hwy | ✓ | | 104 |
| 301 Hwy | ✓ | | 104 |
| 302 Hwy | ✓ | | 104 |
| 303 Hwy | ✓ | | 104 |
| 304 Hwy | ✓ | | 104 |
| 305 Hwy | ✓ | | 104 |
| 306 Hwy | ✓ | | 104 |
| 307 Hwy | ✓ | | 104 |
| 308 Hwy | ✓ | | 104 |
| 309 Hwy | ✓ | | 104 |
| 310 Hwy | ✓ | | 104 |
| 311 Hwy | ✓ | | 104 |
| 312 Hwy | ✓ | | 104 |
| 313 Hwy | ✓ | | 104 |
| 314 Hwy | ✓ | | 104 |
| 315 Hwy | ✓ | | 104 |
| 316 Hwy | ✓ | | 104 |
| 317 Hwy | ✓ | | 104 |
| 318 Hwy | ✓ | | 104 |
| 319 Hwy | ✓ | | 104 |
| 320 Hwy | ✓ | | 104 |
| 321 Hwy | ✓ | | 104 |
| 322 Hwy | ✓ | | 104 |
| 323 Hwy | ✓ | | 104 |
| 324 Hwy | ✓ | | 104 |
| 325 Hwy | ✓ | | 104 |
| 326 Hwy | ✓ | | 104 |
| 327 Hwy | ✓ | | 104 |
| 328 Hwy | ✓ | | 104 |
| 329 Hwy | ✓ | | 104 |
| 330 Hwy | ✓ | | 104 |
| 331 Hwy | ✓ | | 104 |
| 332 Hwy | ✓ | | 104 |
| 333 Hwy | ✓ | | 104 |
| 334 Hwy | ✓ | | 104 |
| 335 Hwy | ✓ | | 104 |
| 336 Hwy | ✓ | | 104 |
| 337 Hwy | ✓ | | 104 |
| 338 Hwy | ✓ | | 104 |
| 339 Hwy | ✓ | | 104 |
| 340 Hwy | ✓ | | 104 |
| 341 Hwy | ✓ | | 104 |
| 342 Hwy | ✓ | | 104 |
| 343 Hwy | ✓ | | 104 |
| 344 Hwy | ✓ | | 104 |
| 345 Hwy | ✓ | | 104 |
| 346 Hwy | ✓ | | 104 |
| 347 Hwy | ✓ | | 104 |
| 348 Hwy | ✓ | | 104 |
| 349 Hwy | ✓ | | 104 |
| 350 Hwy | ✓ | | 104 |
| 351 Hwy | ✓ | | 104 |
| 352 Hwy | ✓ | | 104 |
| 353 Hwy | ✓ | | 104 |
| 354 Hwy | ✓ | | 104 |
| 355 Hwy | ✓ | | 104 |
| 356 Hwy | ✓ | | 104 |
| 357 Hwy | ✓ | | 104 |
| 358 Hwy | ✓ | | 104 |
| 359 Hwy | ✓ | | 104 |
| 360 Hwy | ✓ | | 104 |
| 361 Hwy | ✓ | | 104 |
| 362 Hwy | ✓ | | 104 |
| 363 Hwy | ✓ | | 104 |
| 364 Hwy | ✓ | | 104 |
| 365 Hwy | ✓ | | 104 |
| 366 Hwy | ✓ | | 104 |
| 367 Hwy | ✓ | | 104 |
| 368 Hwy | ✓ | | 104 |
| 369 Hwy | ✓ | | 104 |
| 370 Hwy | ✓ | | 104 |
| 371 Hwy | ✓ | | 104 |
| 372 Hwy | ✓ | | 104 |
| 373 Hwy | ✓ | | 104 |
| 374 Hwy | ✓ | | 104 |
| 375 Hwy | ✓ | | 104 |
| 376 Hwy | ✓ | | 104 |
| 377 Hwy | ✓ | | 104 |
| 378 Hwy | ✓ | | 104 |
| 379 Hwy | ✓ | | 104 |
| 380 Hwy | ✓ | | 104 |
| 381 Hwy | ✓ | | 104 |
| 382 Hwy | ✓ | | 104 |
| 383 Hwy | ✓ | | 104 |
| 384 Hwy | ✓ | | 104 |
| 385 Hwy | ✓ | | 104 |
| 386 Hwy | ✓ | | 104 |
| 387 Hwy | ✓ | | 104 |
| 388 Hwy | ✓ | | 104 |
| 389 Hwy | ✓ | | 104 |
| 390 Hwy | ✓ | | 104 |
| 391 Hwy | ✓ | | 104 |
| 392 Hwy | ✓ | | 104 |
| 393 Hwy | ✓ | | 104 |
| 394 Hwy | ✓ | | 104 |
| 395 Hwy | ✓ | | 104 |
| 396 Hwy | ✓ | | 104 |
| 397 Hwy | ✓ | | 104 |
| 398 Hwy | ✓ | | 104 |
| 399 Hwy | ✓ | | 104 |
| 400 Hwy | ✓ | | 104 |
| 401 Hwy | ✓ | | 104 |
| 402 Hwy | ✓ | | 104 |
| 403 Hwy | ✓ | | 104 |
| 404 Hwy | ✓ | | 104 |
| 405 Hwy | ✓ | | 104 |
| 406 Hwy | ✓ | | 104 |
| 407 Hwy | ✓ | | 104 |
| 408 Hwy | ✓ | | 104 |
| 409 Hwy | ✓ | | 104 |
| 410 Hwy | ✓ | | 104 |
| 411 Hwy | ✓ | | 104 |
| 412 Hwy | ✓ | | 104 |
| 413 Hwy | ✓ | | 104 |
| 414 Hwy | ✓ | | 104 |
| 415 Hwy | ✓ | | 104 |
| 416 Hwy | ✓ | | 104 |
| 417 Hwy | ✓ | | 104 |
| 418 Hwy | ✓ | | 104 |
| 419 Hwy | ✓ | | 104 |
| 420 Hwy | ✓ | | 104 |
| 421 Hwy | ✓ | | 104 |
| 422 Hwy | ✓ | | 104 |
| 423 Hwy | ✓ | | 104 |
| 424 Hwy | ✓ | | 104 |
| 425 Hwy | ✓ | | 104 |
| 426 Hwy | ✓ | | 104 |
| 427 Hwy | ✓ | | 104 |
| 428 Hwy | ✓ | | 104 |
| 429 Hwy | ✓ | | 104 |
| 430 Hwy | ✓ | | 104 |
| 431 Hwy | ✓ | | 104 |
| 432 Hwy | ✓ | | 104 |
| 433 Hwy | ✓ | | 104 |
| 434 Hwy | ✓ | | 104 |
| 435 Hwy | ✓ | | 104 |
| 436 Hwy | ✓ | | 104 |
| 437 Hwy | ✓ | | 104 |
| 438 Hwy | ✓ | | 104 |
| 439 Hwy | ✓ | | 104 |
| 440 Hwy | ✓ | | 104 |
| 441 Hwy | ✓ | | 104 |
| 442 Hwy | ✓ | | 104 |
| 443 Hwy | ✓ | | 104 |
| 444 Hwy | ✓ | | 104 |
| 445 Hwy | ✓ | | 104 |
| 446 Hwy | ✓ | | 104 |
| 447 Hwy | ✓ | | 104 |
| 448 Hwy | ✓ | | 104 |
| 449 Hwy | ✓ | | 104 |
| 450 Hwy | ✓ | | 104 |
| 451 Hwy | ✓ | | 104 |
| 452 Hwy | ✓ | | 104 |
| 453 Hwy | ✓ | | 104 |
| 454 Hwy | ✓ | | 104 |
| 455 Hwy | ✓ | | 104 |
| 456 Hwy | ✓ | | 104 |
| 457 Hwy | ✓ | | 104 |
| 458 Hwy | ✓ | | 104 |
| 459 Hwy | ✓ | | 104 |
| 460 Hwy | ✓ | | 104 |
| 461 Hwy | ✓ | | 104 |
| 462 Hwy | ✓ | | 104 |
| 463 Hwy | ✓ | | 104 |
| 464 Hwy | ✓ | | 104 |
| 465 Hwy | ✓ | | 104 |
| 466 Hwy | ✓ | | 104 |
| 467 Hwy | ✓ | | 104 |
| 468 Hwy | ✓ | | 104 |
| 469 Hwy | ✓ | | 104 |
| 470 Hwy | ✓ | | 104 |
| 471 Hwy | ✓ | | 104 |
| 472 Hwy | ✓ | | 104 |
| 473 Hwy | ✓ | | 104 |
| 474 Hwy | ✓ | | 104 |
| 475 Hwy | ✓ | | 104 |
| 476 Hwy | ✓ | | 104 |
| 477 Hwy | ✓ | | 104 |
| 478 Hwy | ✓ | | 104 |
| 479 Hwy | ✓ | | 104 |
| 480 Hwy | ✓ | | 104 |
| 481 Hwy | ✓ | | 104 |
| 482 Hwy | ✓ | | 104 |
| 483 Hwy | ✓ | | 104 |
| 484 Hwy | ✓ | | 104 |
| 485 Hwy | ✓ | | 104 |
| 486 Hwy | ✓ | | 104 |
| 487 Hwy | ✓ | | 104 |
| 488 Hwy | ✓ | | 104 |
| 489 Hwy | ✓ | | 104 |
| 490 Hwy | ✓ | | 104 |
| 491 Hwy | ✓ | | 104 |
| 492 Hwy | ✓ | | 104 |
| 493 Hwy | ✓ | | 104 |
| 494 Hwy | ✓ | | 104 |
| 495 Hwy | ✓ | | 104 |
| 496 Hwy | ✓ | | 104 |
| 497 Hwy | ✓ | | 104 |
| 498 Hwy | ✓ | | 104 |
| 499 Hwy | ✓ | | 104 |
| 500 Hwy | ✓ | | 104 |
| 501 Hwy | ✓ | | 104 |
| 502 Hwy | ✓ | | 104 |
| 503 Hwy | ✓ | | 104 |
| 504 Hwy | ✓ | | 104 |
| 505 Hwy | ✓ | | 104 |
| 506 Hwy | ✓ | | 104 |
| 507 Hwy | ✓ | | 104 |
| 508 Hwy | ✓ | | 104 |
| 509 Hwy | ✓ | | 104 |
| 510 Hwy | ✓ | | 104 |
| 511 Hwy | ✓ | | 104 |
| 512 Hwy | ✓ | | 104 |
| 513 Hwy | ✓ | | 104 |
| 514 Hwy | ✓ | | 104 |
| 515 Hwy | ✓ | | 104 |
| 516 Hwy | ✓ | | 104 |
| 517 Hwy | ✓ | | 104 |
| 518 Hwy | ✓ | | 104 |
| 519 Hwy | ✓ | | 104 |
| 520 Hwy | ✓ | | 104 |
| 521 Hwy | ✓ | | 104 |
| 522 Hwy | ✓ | | 104 |
| 523 Hwy | ✓ | | 104 |
| 524 Hwy | ✓ | | 104 |
| 525 Hwy | ✓ | | 104 |
| 526 Hwy | ✓ | | 104 |
| 527 Hwy | ✓ | | 104 |
| 528 Hwy | ✓ | | 104 |
| 529 Hwy | ✓ | | 104 |
| 530 Hwy | ✓ | | 104 |
| 531 Hwy | ✓ | | 104 |
| 532 Hwy | ✓ | | 104 |
| 533 Hwy | ✓ | | 104 |
| 534 Hwy | ✓ | | 104 |
| 535 Hwy | ✓ | | 104 |
| 536 Hwy | ✓ | | 104 |
| 537 Hwy | ✓ | | 104 |
| 538 Hwy | ✓ | | 104 |
| 539 Hwy | ✓ | | 104 |
| 540 Hwy | ✓ | | 104 |
| 541 Hwy | ✓ | | 104 |
| 542 Hwy | ✓ | | 104 |
| 543 Hwy | ✓ | | 104 |
| 544 Hwy | ✓ | | 104 |
| 545 Hwy | ✓ | | 104 |
| 546 Hwy | ✓ | | 104 |
| 547 Hwy | ✓ | | 104 |
| 548 Hwy | ✓ | | 104 |
| 549 Hwy | ✓ | | 104 |
| 550 Hwy | ✓ | | 104 |
| 551 Hwy | ✓ | | 104 |
| 552 Hwy | ✓ | | 104 |
| 553 Hwy | ✓ | | 104 |
| 554 Hwy | ✓ | | 104 |
| 555 Hwy | ✓ | | 104 |
| 556 Hwy | ✓ | | 104 |
| 557 Hwy | ✓ | | 104 |
| 558 Hwy | ✓ | | 104 |
| 559 Hwy | ✓ | | 104 |
| 560 Hwy | ✓ | | 104 |
| 561 Hwy | ✓ | | 104 |
| 562 Hwy | ✓ | | 104 |
| 563 Hwy | ✓ | | 104 |
| 564 Hwy | ✓ | | 104 |
| 565 Hwy | ✓ | | 104 |
| 566 Hwy | ✓ | | 104 |
| 567 Hwy | ✓ | | 104 |
| 568 Hwy | ✓ | | 104 |
| 569 Hwy | ✓ | | 104 |
| 570 Hwy | ✓ | | 104 |
| 571 Hwy | ✓ | | 104 |
| 572 Hwy | ✓ | | 104 |
| 573 Hwy | ✓ | | 104 |
| 574 Hwy | ✓ | | 104 |
| 575 Hwy | ✓ | | 104 |
| 576 Hwy | ✓ | | 104 |
| 577 Hwy | ✓ | | 104 |
| 578 Hwy | ✓ | | 104 |
| 579 Hwy | ✓ | | |

When stocks are deparqueted it is indicated after the name.

Symbols relating to dividend status: Δ grade to Yields and P/E ratios. D or M on 1st.

Market capitalization shown is estimated.

Estimated price earnings ratios are accounts and, where possible, as calculated on "net" distribution in on profit after taxation, excluding all share applicable. Yields are for a dividend net credit of 20 per cent distribution and night.

Estimated Net Asset Value: Δ per share per share, along with the price -1 to the current closing share price of value, convertible shares occur.

☐ Indicates the most active where Transactions and in the share changes. Δ indicates the most active in the SEAD and in the changes.

Interim Since increased or reduced Since reduced, passed or recent awarded.

Rule 2 (1)(a) Overseas listed.

[illegible]

Wallenberg set to sell shares in Saab, Scania

By Hugh Carnegie in Stockholm

Sweden's Wallenberg industrial empire yesterday announced plans to sell shares in Saab and Scania, the aerospace and truck companies it is dividing into separate units, but will retain control of both.

The statement followed a decision on Wednesday to split Saab-Scania, the combined group wholly-owned since 1991 by investor, Wallenberg's main holding company.

Mr Claes Dahlbäck, chief executive of investor, said a flotation of between 50 per cent and 75 per cent of Scania, one of the world's most profitable truck makers, was likely this year or in 1996. But he said no final decision had been made.

He said a stock exchange listing was also among the options for Saab, but this was unlikely at present because of the problems facing its military and civil aircraft operations. Other options include seeking foreign partners for the company.

Mr Dahlbäck signalled that the Wallenbergs would continue to

control both companies, as they had done for decades. "Our policy is to be the dominant owners," he said.

He added that investor had not discussed any change in the 50 per cent stake in Saab Automobile, the passenger carmaker, which investor is taking over from Saab-Scania. The other 50 per cent is held by General Motors of the US.

The sale of even a majority of Scania and Saab would be in line with the structure of investor which exerts its control of a series of Swedish blue chip companies through minority shareholdings.

Saab-Scania is the only company in which it currently holds a 100 per cent stake.

Investor yesterday announced a surge in pre-tax profits in 1994 to SKr3.05bn (\$420m) from SKr1.0m in 1993, reflecting a strong overall performance by Saab-Scania which reported profits after financial items of SKr4.46bn, compared with a SKr4.8m loss in 1993.

With post-recession dividend income also flowing strongly

from its holdings in companies such as Astra, Ericsson, Electrolux and Stora, the flotation of Scania would add to investor's renewed financial strength.

Yesterday's results underlined the imbalance that has grown up in Saab-Scania.

The Scania division produced a jump in operating profits to SKr3.8bn from SKr3.83m and a 34 per cent rise in sales to SKr24bn. Total unit sales rose to 35,500 trucks and buses from 25,800. Meanwhile, Saab aircraft and defence, which will form the core of the new Saab, slid to an operating loss of SKr56m from a loss of SKr22m as sales slipped 6 per cent to SKr4.8bn.

Investor's net worth, with Saab-Scania at book value, was SKr43.5bn at the end of 1994, or SKr218 per share, up from SKr37.5bn at the end of 1993.

The value of investor's investment portfolio at the end of the year was SKr64bn, compared with SKr28bn a year earlier. Net debt was driven down to SKr3.6bn from SKr4.5bn. The dividend for 1994 was raised to SKr6 from SKr5.25 in 1993.

Building societies welcome planned changes

By Allison Smith

UK government plans to allow building societies to diversify more of their activities away from home loans and retail savings were welcomed by societies yesterday as a way of enabling them to perform more effectively in personal financial services.

The plans, announced yesterday by Mr Anthony Nelson, minister of state at the Treasury, will mean high street banks could face more competition.

They will move building society regulation from a restrictive to a permissive system, enabling societies to react more quickly to business developments.

As a result, large societies seem likely to feel the need to become public limited companies to operate effectively though none of the three planning to reach plc status - Halifax, Leeds Permanent and Cheltenham & Gloucester - suggested yesterday that the review might have altered their decisions.

Abbey National, the former building society which became a bank in 1989, and the TSB group said there had been progress in matching the new powers with making societies more answerable to the millions of members who own them.

They welcomed the move to make societies consult members before entering a new area of business in any significant way. They added, however, that more could still have been done.

Under the changes, societies would operate within the broad restriction that at least 50 per cent of their funds come from personal savings, and at least 75 per cent of their lending is housing related.

The plans set out 15 ways to increase societies' accountability, of which the most important are the granting of full membership rights to borrowers and to all types of personal saver.

See Lex

UK government success on Europe vote in the balance

By Robert Peston and John Kampfner in London and Stewart Dalby in Belfast

The British government's chances of winning an important Parliamentary vote on European Union policy next week hung on a knife-edge last night.

Mr James Molyneux, the leader of the Ulster Unionist party, gave his strongest hint to date that his party's nine MPs, who usually support the government, would vote with the opposition Labour party.

The Unionists, who represent the Protestants of Northern Ireland, are angry over the government's proposals for Ireland's future published this week. They believe the plans favour Catholics nationalists who wish to unite Northern Ireland with the

The European Commission is about to unveil an Ecu 173.9m (\$220m) aid package for Northern Ireland, with the bulk of the new money for developing cross-border links with the Republic, writes Lionel Barber. Mrs Monica Wulff-Mathies, commissioner for regional affairs, is expected to announce the aid during a visit to Northern Ireland starting on Monday. The package is separate from the Ecu 300m "peace dividend" which EU leaders agreed in December.

Republic of Ireland. Five of the nine Conservative rebels expelled from the Parliamentary party last year, yesterday also indicated privately that they could vote against the government.

If both groups vote as they

indicate, the government would scrape a victory by one vote. It would lose if any other Eurosceptic Conservatives - members concerned that the government is too pro-EU in its policies - decided to vote against it.

Speaking after a meeting of his executive in Belfast, Mr Molyneux said the framework document outlining a Northern Ireland political settlement marked the end of his party's traditional links with the Conservatives. He said a final decision on which way to vote would be made on Wednesday.

A statement described the framework document as a plan which would destroy the Union. The UUP will not negotiate on the document, but only on policies it submitted earlier in the week.

Buzzwords

Continued from Page 1

next door to the US and over the years have developed a balanced system.

With views flying in from all ends of the political spectrum, ministers and business leaders can expect no stone to be left unturned at this weekend's information jamboree - not even sex and the information society - or so Mr De Benedetti would have us believe.

"There are 6m teleworkers in the US," he says, enough - apparently - to make an impact on US demographics. "With all those people working from home, there is more time now for sex."

Uranium trader lists debts of \$400m

Continued from Page 1

1982. Last year he claimed it had a turnover of \$500m and employed 1,500. Among the publicly listed companies are Ramtron International, which makes specialty semiconductors; Uranium Resources, a mining company; and Rio Narica Gold Mines, which has a gold project in Spain.

Most of Concord's revenue came from Nuexco which broke new ground in the uranium market by buying and selling uranium on its own account rather than simply acting as a broker between other companies. Nuexco also pioneered the

import to the west of uranium from the vast Russian stockpiles.

Rivals traders suggested yesterday that its problems were caused by restrictions on Russian uranium imports, imposed by the US government in 1992 after allegations from domestic mining companies that Russian uranium was being dumped in the US.

This prevented Nuexco using from cheap Russian uranium to repay utilities which had loaned it material from their excess stocks.

Last July US federal customs agents raided Nuexco's Denver offices with warrants to search for evidence that it had illegally

imported Russian uranium to the US. Mr Benton insisted the material came from Ukraine and was not affected by the trade restrictions. Nuexco subsequently moved its trading headquarters to London.

Mr Benton has been attempting to stave off creditors and the need to apply for Chapter 11 bankruptcy protection for some time. He negotiated with some of his largest creditors for two weeks at the beginning of February but BNFL appeared to bring matters to a head last week when it sued Mr Benton in a federal court, claiming unspecified damages for his alleged failure to deliver uranium.

THE LEX COLUMN

Better life for orphans

At last, after a period of unmitigated gloom for the life assurance sector, some good news: United Friendly's orphan assets have found a home. Orphan assets are those which have accrued in with-profits life funds over decades, above and beyond the sums which policy-holders can reasonably expect to obtain for themselves. There has been considerable doubt about whom they belong to, despite an earlier ruling from the Department of Trade and Industry in favour of shareholders in London & Manchester, another life company.

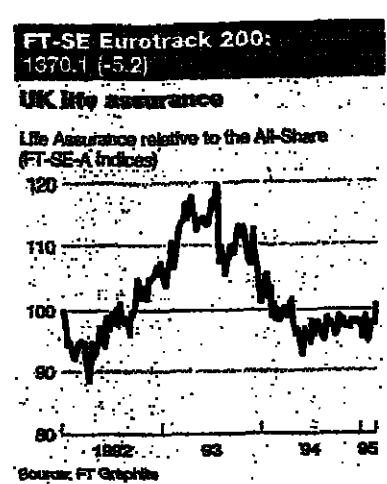
The United decision clears up the uncertainty further: out of a total fund of more than £2bn, £275m is now allocated to shareholders rather than policy-holders. This is not quite the bonanza it seems. United has opted to keep the cash within the fund to develop the business. But it is likely that United will follow London & Manchester's example and allocate to shareholders a normalised return on the £275m. This means that United could give shareholders some £10m a year by means of a greatly increased dividend. Hence the 15 per cent gain in United's share price yesterday.

United's agreement with the DTI creates a welcome precedent for other life companies with large orphan assets such as Refuge or Britannic, whose shares gained sharply yesterday. For other companies, including Prudential, it is by no means certain that their articles of association will allow the orphan assets to be allocated to shareholders. And United's agreement contains another, less welcome precedent: the full costs of making provisions again pensions mis-selling is to be borne by shareholders rather than policy-holders.

UK generators

Nobody should imagine the power generators' share offer is another privatisation bargain. Most of the City is pushing the issue. But that support may evaporate in six months' time. Meanwhile, most of the cutting of public sector has been done. The government's last secondary market offering serves as a warning. Since the final tranche of BT's privatisation, its shares have underperformed the market by 13 per cent.

Of course small investors who subscribe may qualify for discounts on later instalments or bonus shares. But to receive the 1-for-15 bonus offer, they will have to hang on until 1996. There will be an election by then, bringing



the risk of an incoming Labour government enacting a windfall tax on this unpopular industry. There are also potential regulatory slings and arrows. After breaking the electricity price cap and making no progress selling capacity, the generators look vulnerable to regulatory interference.

On balance, the prime attraction of the offer is the payment of dividends on partly-paid shares. Institutional investors will achieve an annualised gross dividend yield of close to 20 per cent on the first dividend payment alone. The return is even higher for retail investors. And the companies offer enormous future cash generating power. Of course, partly-paid shares also offer a geared reaction to any movement in the ordinary share price, thereby increasing the downside risk if the regulator turns tough. But the yield potential just about outweighs the risks.

Building societies

The UK government's reform of building societies has involved sound and fury, but signifies disappointingly little. The increase in permitted non-housing lending to 25 per cent is unlikely to increase competition in unsecured lending.

Abbey National's unhappy history in that market should prove a warning to others. Societies do not have the expertise in credit analysis to compete with the banks. Most know this: few had even approached the previous limit of 10 per cent. Indeed, the present average is about 1 per cent. Banks will not tremble in their boots.

As for the societies' new-found ability to increase the proportion of fund-

ing from the wholesale market to 50 per cent, that too is mostly academic. The cost of retail funding for building societies is below that of the wholesale market. Besides, most societies have kept the percentage of funds from the wholesale market well below the present 40 per cent limit. They have maintained a large margin because of the risk that depositors might suddenly withdraw their deposits.

The proposals to make societies more accountable - such as giving borrowers the vote - miss the point. All that will lead to is an even greater number of wasted votes. A better way of getting members involved would have been for societies to pay them dividends. They would then have had an incentive to find out whether their managements were doing a good job.

UK rail privatisation

It is no surprise that Railtrack wants some £1.5bn of debts wiped off before next year's privatisation. Who would not want their debts cancelled? The UK Treasury, though, should not agree to this request. Its responsibility is to endow Railtrack with a capital structure that maximises returns to taxpayers. If Railtrack's debt is wiped out, the Treasury will receive more money for its equity; but the extra proceeds are unlikely to be as great as the debt the Treasury will have to assume. This is mainly because, with interest rates relatively low, the earnings of a debt-free Railtrack will not be very much higher than those of an indebted one.

But there is another reason why Railtrack should not be debt-free. History shows that newly-privatised companies tend to splash out on foolish diversifications if their balance sheets are too strong. The lucky ones, such as the regional electricity companies, are caught before too much damage is done and forced to hand back spare capital to shareholders. But it would be bizarre for the Treasury to take on Railtrack's debts now, only to find the company paying out bumper dividends several years down the line. Railtrack may complain that large debts will prevent it investing. But this is nonsense. Railtrack, as a utility with a steady income stream from track charges, is quite capable of supporting high gearing. Even after last month's decision to cut its access charges, gearing will be roughly 60 per cent. Instead of wiping off Railtrack's debt, the government might consider injecting a bit more.

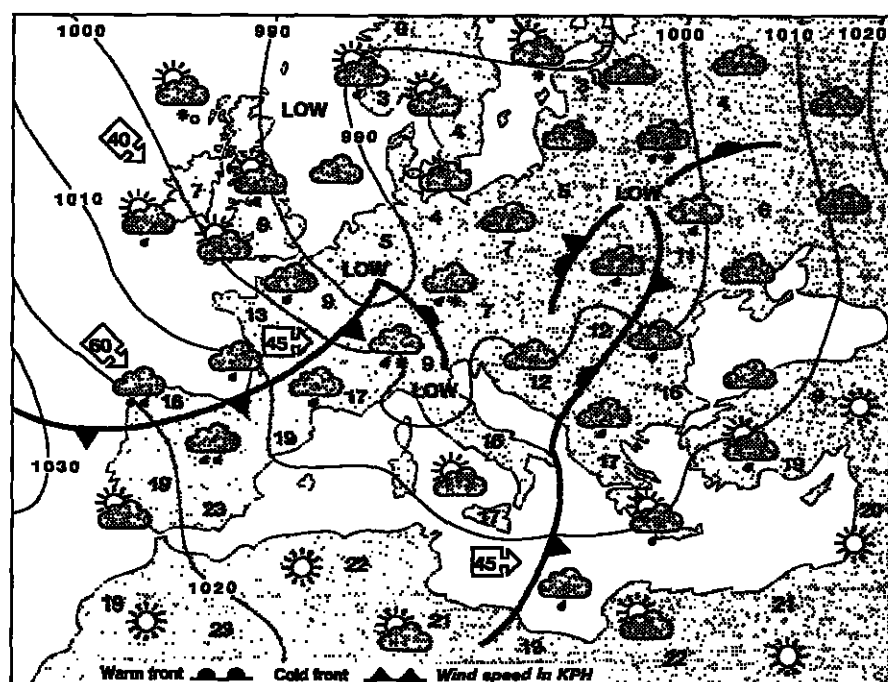
FT WEATHER GUIDE

Europe today

Calm if unsettled conditions are forecast for the North Sea region and Scandinavia as depressions take a southerly course into central Europe. A surge of cold air will mean wet and windy conditions in France and heavy snow in the Alps and Pyrenees. Austria and Germany will also have snow during the afternoon. The British Isles will be cooler with showers. Northern Spain will have rain, while southern regions stay dry. Scattered snow showers will fall over southern Poland and the Baltic States, spreading slowly eastward in the afternoon. Heavy rain is forecast west of the Black Sea, while the Balkans will have showers with thunder. The eastern Mediterranean will be sunny with maximum temperatures about 20C.

Five-day forecast

Heavy snow will fall in the Alps on Sunday. A zone of high pressure will form over Scandinavia, across the North Sea to the Azores. That will briefly mean sunny and calm conditions in most regions. An increasing westerly flow will develop, unsettling conditions over Central and Northern Europe.



TODAY'S TEMPERATURES

| Location | Maximum | Minimum | Location | Maximum | Minimum | Location | Maximum | Minimum |
|-----------|---------|---------|--------------|---------|---------|-------------|---------|---------|
| Abu Dhabi | 31 | 23 | Beijing | 10 | 4 | London | 10 | 4 |
| Accra | 31 | 23 | Bombay | 28 | 22 | Los Angeles | 18 | 12 |
| Algiers | 22 | 16 | Buenos Aires | 25 | 18 | Madrid | 15 | 8 |
| Amsterdam | 10 | 6 | Calcutta | 30 | 24 | Manila | 28 | 22 |
| Athens | 17 | 11 | Chicago | 18 | 12 | Mexico City | 25 | 18 |
| Bahia | 28 | 22 | Cairo | 25 | 18 | Moscow | 10 | 4 |
| Bangkok | 30 | 24 | Dakar | 28 | 22 | New Delhi | 28 | 22 |
| Barcelona | 19 | 13 | Dallas | 20 | 14 | Osaka | 18 | 12 |
| | | | Delhi | 30 | 24 | Paris | 12 | 6 |
| | | | Dubai | 30 | 24 | Rangoon | 28 | 22 |
| | | | Dubrovnik | 18 | 12 | Reykjavik | 10 | 4 |
| | | | Edinburgh | 10 | 4 | Rio | 25 | 19 |
| | | | Faro | 18 | 12 | Rome | 17 | 11 |
| | | | Frankfurt | 10 | 4 | Sao Paulo | 25 | 19 |
| | | | Geneva | 10 | 4 | Seoul | 10 | 4 |
| | | | Glasgow | 10 | 4 | Singapore | 31 | 25 |
| | | | Hamburg | 10 | 4 | Sri Lanka | 28 | 22 |
| | | | Helsinki | 10 | 4 | Taipei | 25 | 19 |
| | | | Hong Kong | 25 | 19 | Tokyo | 18 | 12 |
| | | | Honolulu | 28 | 22 | Toronto | 10 | 4 |
| | | | Istanbul | 18 | 12 | Vancouver | 10 | 4 |
| | | | Jakarta | 30 | 24 | Venice | 11 | 5 |
| | | | Jersey | 10 | 4 | Vienna | 10 | 4 |
| | | | Karachi | 28 | 22 | Warsaw | 10 | 4 |
| | | | Kuala Lumpur | 28 | 22 | Washington | 12 | 6 |
| | | | Las Vegas | 18 | 12 | Wellington | 12 | 6 |
| | | | Liège | 10 | 4 | Winnipeg | 10 | 4 |
| | | | Lima | 18 | 12 | Zurich | 10 | 4 |
| | | | Lisbon | 18 | 12 | | | |
| | | | Luxembourg | 10 | 4 | | | |
| | | | Lyon | 10 | 4 | | | |
| | | | Madrid | 15 | 8 | | | |

No other airline flies to more cities around the world.

Lufthansa

The CO-OPERATIVE BANK
Investing in a Greater Manchester

Want to see our investment portfolio?

Get an A-Z.

We're supporting local business.

From small start-ups to major new developments. The Co-operative Bank has always backed business in Manchester. After all, we're a local business ourselves. Born and raised in Manchester, we've developed a better understanding of the needs of local businesses. This has led to our Relationship Managers providing our clients with first-class personal service which continues long after the initial deal is concluded. And to give them more time to devote themselves to this task, we've set up a special Business Administration Centre to handle all routine transactions over the phone. If you'd like to be a part of our investment portfolio, simply call Steve Jennings our Development Manager at Manchester Business Centre on the number below. Together, we could put your business on the map.

0161 829 5428

سكيا من الامم

Weekend FT

Seven summits of a climber's world

Rebecca Stephens battled jungle and snow storm to climb the highest peak on each continent

The wind blew and, by God, it was cold. I made the mistake of taking off my gloves - for 20 seconds, no more. The warmth drained from them like water from a jug. In a panic I stumbled across the rocks and threw myself into the tent where John, my companion, cupped my stiffened hands in his. He prized open my fingers and, in horror, gazed upon my palms. They were dappled in patches of frost-nip.

I wondered then, if we would make it.

We were on Aconcagua, at 22,834ft, the highest peak in the Andes, and more important, to me, the highest mountain in the whole of South America. It had been a notion of mine for a couple of years to climb the highest mountain in each of the world's seven continents. This Andean monster, a slag-heap crushingly dull to the eye, was my sixth of the Seven Summits - and the most savagely inhospitable. Yet this whole game had started so peacefully.

It was summer, 1991. I was in the office and Lucy, a friend of mine, called: "I'm off to Africa, for a month," she said. "Any suggestions?"

As a student I spent three idyllic months working on a farm in Africa - and often I had looked up at Kilimanjaro. "I'll come," I suggested.

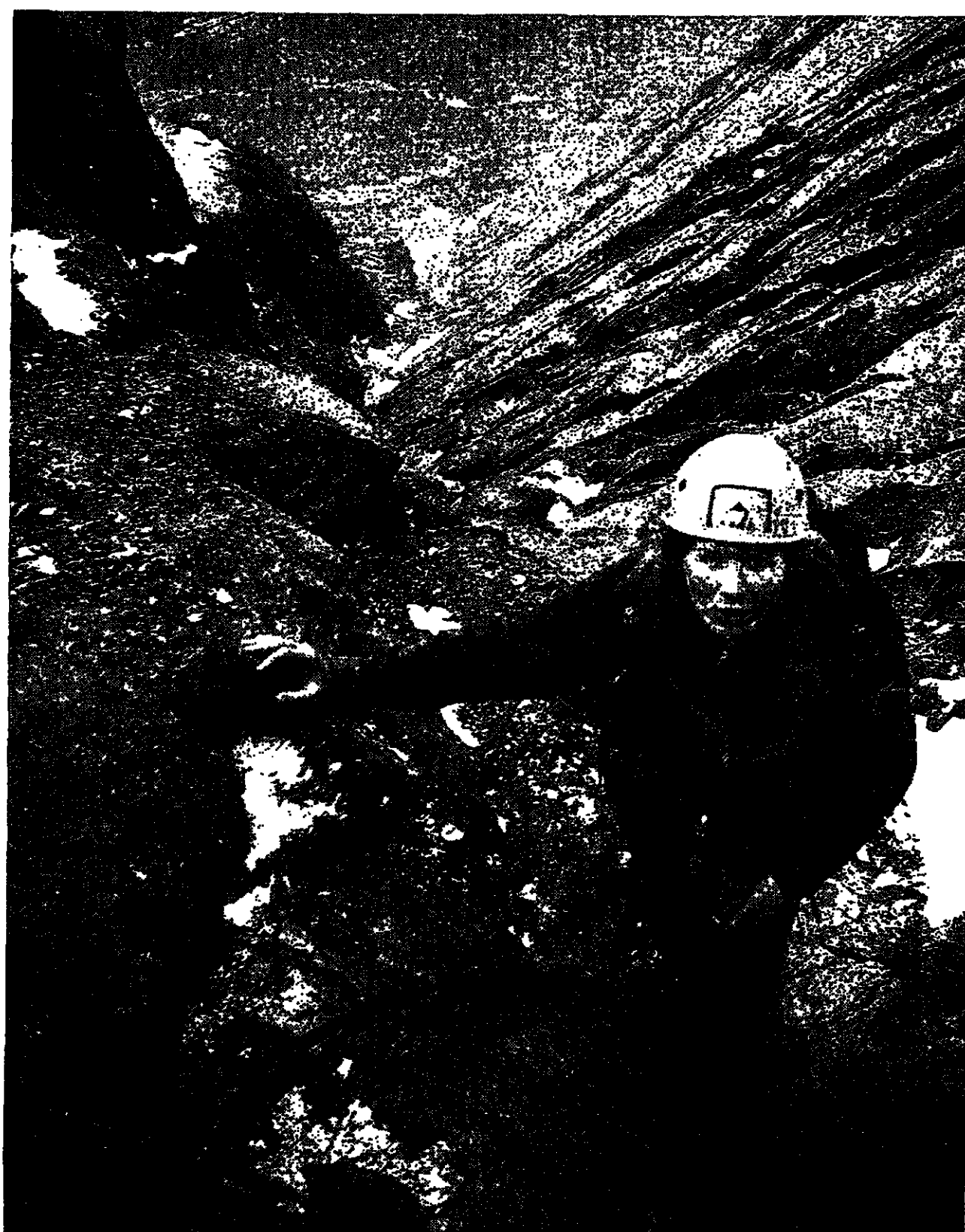
So I did. The two of us ambled joyfully to the top of Africa and down again. It was heaven. The following year I found myself on the highest peak in north America. This time with a purpose in mind. I was off to Everest the following spring on the DHL British 40th Anniversary Expedition. Mount McKinley in Alaska, just a smidgeon below the Arctic Circle, was a training

ground. "Not," warned a mountain veteran, "to be underestimated."

My memory is fading, but when I think of that mountain I think of snow holes, coffin-like with the ceiling falling in. Five of us were stuck in one for eight days. I think of black toe-nails, numb ears, frost-nipped noses, and shiver at the very thought of the wind. Seven people died while we were there. It was ghastly, the worst recorded weather in 30 years. But we made it. Once the immediate horrors of it all were forgotten, when we had cleansed our bodies of the filth and replenished the calories lost, I felt so immensely, shamelessly pleased that I believed anything, anything to be possible. Everest? No problem.

Such confidence wanes, but sitting on the flight home from Anchorage, still captured by this spirit, I promised myself if I got up the big one, I will climb the remaining four summits.

I climbed Everest, conveniently forgetting that a few years earlier, when reporting for the Financial Times on an expedition there, I had thought everyone intent on getting to the top (especially the women, as it happened) was missing a crucial screw or two. And so, I was able to undertake an absurdly extravagant adventure, again thanks to DHL, that was to take me to every continent on earth. I counted North and South America as two, and refused to overlook Antarctica. Australasia was tricky. There is some argument whether the highest peak is Kosciuszko on mainland Australia or a mountain called Carstensz Pyramid on the western half of the island of New Guinea. Carstensz Pyra-



Rebecca Stephens tackling Carstensz Pyramid

mid is in Irian Jaya, a province of Indonesia, and thus politically in Asia, but it is geographically on the Australian continental shelf.

I favoured Carstensz Pyramid because Kosciuszko is a mere pimple, because Reinhold Messner does and because Irian Jaya is fascinating. It is wild. The women wear grass skirts and the men not a stitch of clothing but a penis gourd. They store tobacco and money in the gourds, topping the lot with a sweet potato.

I flew in a Twin Otter to a muddy grass strip cleared in the highland jungle at about

9,000ft. My travelling companion was Graham McMahon, a rock climbing wizard. He would be a handy companion indeed - if ever we got to the mountain.

Time was in short supply, we had planned to fly from the village to the foot of Carstensz by helicopter. But the helicopter did not show. I could cheerfully have killed the operator at the time, but in hindsight his failing was our gain. We would have missed market day. It was early Friday, as I looked across the valley, cleared of trees, tamed by the hoe, and green - an almost

synthetic, fluorescent green - small bands of men stepped from the surrounding jungle. They strode in single file and with graceful gait towards the market place. For a few short hours, the village heaved. It is the men who are the peacocks. Dressed in their finery - scarlet beads, arm bands, ankle bands, head dresses with bits of fur, feathers, reeds, leaves, and penis gourds often painstakingly decorated - their faces painted with garish flair, they were magnificent in their proud, muscular display. They stood in small groups, the young ones draping noncha-

lantly against a post, or over one another while the women sold their wares.

Morning turned to afternoon, and evening, still no helicopter. "We'll walk," I declared.

"It'll take seven days," said Dixon, our local guide.

Assuming the helicopter would at least pick us up from the mountain and fly us home (and we had no choice but to

trust the operator here), that would leave us only one day to climb the mountain. Graham, Dixon, myself, and 20 able-bodied men and women, carrying kit for us, sweet potatoes and tobacco and a tiny bag of salt each, for themselves, set off next day, through the jungle.

For five days we fought our way up and over tree roots as slippery as the proverbial snake, through mud to our thighs, rivers gushing high above our waists and across heath, straight from Jurassic Park. There were prehistoric trees all about, with mops of fern atop hairy trunks, and strange limestone pinnacles like the figurative statues on Easter Island. By day it was the perfect biology field trip - a million life cycles born and rotting before our eyes. At night the porters gathered around a fire and sang sweet, sensual lullabies.

At the penultimate camp, beside a lake steely grey under heavy skies, Graham had a brainwave: "How about an Alpine start? Three, four hours and we'd be at base camp. If tomorrow we started sharpish at 2am, we could be at the foot of the route by 6am - up and down in a day - with still a day as contingency should we need it."

The problem was walking in the dark, while still so cold. Poor Alus the porter had bare legs and hands. Even with snow falling beneath his flip-flopped feet, he trudged on. The path took us high over a 14,000ft pass and down again, and, as night faded, there, ahead of us, was our mountain.

We shook hands with Alus and Dixon and, at last, started our climb. Carstensz is a vast slab of corrugated limestone. It is a rock climb - requiring ropes and karabiners and such - the only one of the Seven that is. Graham led. I followed. We had been led to believe the first few pitches were tricky. "It's easy!" I cried.

"Hardly a difficult move on it," he shouted down.

Boy, we were cocky. With a lightness in our hearts and our steps, we scrambled swiftly up rock and across snow. Strangely, there was lots of snow, even though we were on the equator. Within a couple of hours we stood on the summit ridge, waving and screaming down at Alus and Dixon who waved up at us from far below. It was a long ridge, however. "Three hours and we'll crack it," we declared.

It was a conservative estimate. A few paces along the ridge and we were perched atop a snowy precipice, gazing down into a notch in the ridge about 60ft deep, with steep rock walls on both sides.

"It's impossible," I said.

Continued on Page II

CONTENTS



Travel: Skiing special - the best resorts round the world VI-VIII

Perspectives: The rise and rise of the Rothschild family III

Fashion: Big and tall - and still want to be well dressed? XI

Sport: The tax loophole springs a leak XIII



Food: Mediterranean treats from Wales XIV

Weekend Investor: Two pages of facts and figures XIX-XXII

Arts Guide XVII, XVIII
Arts Guide XIX
Books XV, XVI
Bridge, Chess, Crossword XX
Fashion X-XI
Food & Drink XIV
Gardening IV
How To Spend It XII
Motoring VI
Perspectives III
Property V
Science VII
Sport XIII
Travel VI-VII
Small Businesses II

NEXT WEEK
Cockpit where Europe's bureaucrats do battle



Joe Rogaly

Next: the Scottish question

The Northern Ireland accord raises questions for other parts of the UK

Ulster may have an assembly, says John Major, but not Scotland. The people of Northern Ireland may choose their destiny in a referendum, but not the Scots. Why? The answer is tucked into the "framework document" on the affairs of Europe's westernmost islands just published by Mr Major and his Dublin counterpart. Here it is. Watch the words I have italicised. The two prime ministers "acknowledge that in Northern Ireland unlike the situation which prevails elsewhere throughout both islands, there is a fundamental absence of consensus about constitutional issues". Unlike the situation in Britain? Tell that to the Scottish nationalists, or, indeed, four-fifths of the people of Scotland. There is a consensus all right. Most people north of the border aspire to some form of devolved self-rule.

The same could be said, only less so, of Wales. As to the English, there is no outcry against the electoral or parliamentary system such as the one that recently led Italians to change their method of voting. Yet there certainly is discontent. Ask almost any local councillor, even a Tory if you can find one. Broad-based constitutional reform is urged, almost daily, by a small but growing band of campaigners.

Perhaps that is why it is promised by both Labour and the Liberal Democrats. The bland assertion that every voter outside Northern Ireland is content with the country's constitutional status cannot be sustained, even by Conservatives. They are loudly divided about the legal status of the kingdom they profess to serve so loyally. These Tories accept cross-border arrangements within the European Union but those do not. We are defamed by their bleating.

Yes, yes, I know. Northern Ireland is different. But consider the essence of the difference. First, it has a history that does not bear thinking about. The result, as the framework document puts it, is that "there are deep divisions between the members of the two main traditions living there over their respective senses of identity and allegiance". Is the Scottish sense of identity at ease with itself? Second, the story of the failure of Ulster's constitutional arrangements has been written in blood. That makes its case more urgent; it does not render the arguments of the Scots less well-founded. Alas, it is no use putting such points to the prime minister. General reform of the British constitution is Mr Major's blind spot.

This is not to deny his skill

in handling the tedious politicians of the six troubled counties. Let me say it once again, I hope not for the last time. When it comes to Northern Ireland, John Major is at his best. There is no need to qualify that assessment; this has been his week. Sure, the credit must be shared. The declaration of December 1993 that preceded last year's ceasefire by the IRA and their Protes-

Even Tories are divided about the legal status of the kingdom they profess to serve so loyally

tant counterparts was signed by both the British and the Irish prime ministers. So was this week's framework document. Some of Britain's, and Ireland's, best civil servants wrote the clever phrases. Dick Spring, the Irish deputy prime minister, helped persuade Irish nationalists to compromise, as did John Hume, among others. That said, it was Mr Major who rose to the occasion on Wednesday.

If politics was a children's game the prime minister might be rewarded for his skilful performance in Belfast and

subsequently in the Commons by a resurgence of popularity leading to victory at the next general election.

This is possible, but unlikely. Northern Ireland did not stand high on the lists of the electorate's concerns during the 25 years of violence, even when the bombers came to mainland Britain. A prolonged period of complicated negotiations lies ahead. It may, fingers crossed, save Ireland, but the odds are that it will not save Mr Major.

We must therefore assume, until the contrary becomes evident, that Labour will remain the favourite to win, and win well, next time. We reformers have mixed feelings about that. The people's party is committed to an assembly for Scotland, a bill of rights, a freedom of information bill, the election of hereditary peers from working sessions of the House of Lords, and a referendum on the voting system. Seasoned democrats will welcome it all, but trust the party on none of it.

The Scottish elements of the new assembly have been thought through, but the effect on the governance of England has not. The rights and information bills must be judged by their details, which are yet to come. Simply denigrating lords who are in the ancient chamber by right of birth will leave the upper

house stuffed with appointees, most of them party hacks. Since there are no immediate plans for an elected senate, Labour apparently aims to create the world's most elevated quango, draped in ermine.

As to the final item, Tony Blair has never shown any enthusiasm for electoral reform. The party leader inherited the plebiscite pledge from his predecessor. In spite of accounts to the contrary, Mr Blair is human. If he wins with a single-figure majority and is obliged to cast an eye to the Liberal Democrats he will be more assiduous in fulfilling his pledge on a referendum than he would be with a majority of 100-plus. That is why Britain's proponents of fair voting have created a cross-party, multi-pressure-group coalition, the Voting Reform Group.

The group has set up Reform, a limited company, which will offer 7 per cent bonds, to be repaid in July 1997 if its fund-raising reaches certain targets. This should raise seed money for an enterprise that hopes to build popular pressure for a change in our voting system. The method chosen is innovative; if bright ideas count, Reform will do well. Its launch was on Wednesday, at about the time Mr Major was returning from Belfast to London. History may yet comment on that.



Set in the beautiful Kent countryside, the club boasts two 18 hole courses - the Heritage Course which was personally designed by Jack Nicklaus and the International Course, created by Golden Bear and designed by Ron Kirby. Both courses are suitable for all skill levels, providing five sets of tees per hole and lakes coming into play on several holes. The greens have been built to the highest USGA specifications ensuring firm, well drained surfaces. The courses have been designed to take advantage of the natural contours and beauty of the Kent countryside. The clubhouse contains a magnificent range of facilities, including a high quality restaurant offering a range of international cuisine with a Teppanyaki bar for oriental tastes, a pro shop, spike bar and spa baths with sauna.

The London Golf Club Membership opportunities have been carefully structured to meet the needs of individual, corporate and family members. For further membership details please fill out the application form.

MEMBERSHIP ENQUIRY FORM

NAME: _____
ADDRESS: _____
TEL: _____
P. CODE: _____
TELEPHONE NO.: _____
PLEASE INDICATE THE APPROPRIATE MEMBERSHIP TYPE: (INDIVIDUAL / FAMILY / CORPORATE / SOCIAL)
SEND TO: THE MEMBERSHIP OFFICE, THE LONDON GOLF CLUB, SOUTH ANNE MARSH ESTATE, ANN, NEAR BRANDE HATCH, KENT, TN15 7EN. TEL: 01474 854464 FAX: 01474 854798

MINDING YOUR OWN BUSINESS

Books for a poor market

David Spark meets a publisher who focuses on Africa

James Curry admits he felt frightened when he left Heinemann, the publisher, in 1984 and began his own small company publishing books about Africa.

"I was 48. I had a good reputation but in a very specialist field. I wasn't very confident of finding another publisher to take me on with my unfashionable African publishing."

Curry had run Heinemann's academic publishing and its African Writers Series, but the books boom in Africa had ended when Nigeria closed its foreign exchanges in 1982. Then Heinemann pulled out of academic publishing.

Curry received some encouragement from investors in industry where the vice-chairman, an Oxford contemporary, asked: "Do you want to set your company up to make a fortune or to extend your career?"

Curry recalls saying, rather guiltily: "To extend my career."

"He said: 'That's fine. As long as we know, you might still make a fortune.'"

Curry and his wife Clare decided to take the plunge. Clare handles administration, keeps the account books and watches cash flow.

Working with them at the new company they had a Heinemann colleague, Ingrid Crewdson. But Curry missed the friendship of his old team. "I found the social change disturbing. The first winter I cycled around to see people. I needed the social contact."

The Curveys were pleasantly surprised to discover that, although publishing needs capital because payments can come in months, or even years, after a book is published, they needed less than they feared. The Curveys worked from James' book-lined basement flat in Islington so convenient that they gave up the idea of a Soho office. The bank facility has stayed at £25,000 since they started. They put in

around \$40,000 themselves, part of which came from James' Heinemann redundancy payment, part from an aunt in the US who liked the idea of the family name on books.

The first book appeared within a year, in October 1985. "I took over several contracts from Heinemann, which saved the embarrassment of cancelling."

One contract was for Guns and Rain, the odd story of how spirit mediums persuaded guerrilla fighters in Zimbabwe not to grab food or women. This book has sold over 20,000 copies and has been reprinted four times.

Another early book was by

A book that is modestly priced in Britain is impossibly expensive in Kenyan shillings

Professor Terence Ranger, one of the leaders of African studies. Ranger's support has proved valuable. Young academics who might have taken their work to a university press have followed him to Curry.

The financial key proved to be selling to US publishers before publication. For Guns and Rain, Curry already had an agreement with the University of California. Such dollar sale can raise the cash to pay the printers even before the bills come in.

James Curry does not publish a book unless it is also accepted by a US publisher and, if possible, an African. Together they make a print order of 2,500 to 4,500, which spreads the start-up costs and keeps down the price per copy.

Curry publishes in paper covers (with a library edition in cloth) and aims for a modest selling price, usually £10 to £12

in Britain. This is still impossibly expensive when translated, say, into Kenyan shillings. So Curry asks his African-publisher colleagues what a reasonable local price would be and seeks ways of offering the book at that price.

At £5 a volume, James Curry's students paperback of the Unesco General History of Africa was too costly for African sale. So Curry arranged for Unesco to give sets of film to African publishers who so far have printed more than 12,000 copies. The price in Kenya was the equivalent of £2.

The African prices of other books have been subsidised by UN agencies and by organisations in Scandinavia, Japan, the Netherlands and Britain. One was backed by African central banks. Some deals include free books for distribution to universities and schools by Book Aid International.

The result is that James Curry has the world's strongest list of non-fiction books about Africa.

Curry is equally resourceful in printing and distributing. He and Keith Sambrook, a retired Heinemann colleague, decide what to publish, perhaps one title in 40 offered. Books about a single country usually do better than more general titles.

If the book is on disc, then that and the edited script go to South Africans who run a small typesetting business in a National Trust farmhouse in the Lake District. If scripts need rekeying, they go to Colset in Singapore.

Colset does not charge for corrections. At Heinemann colleagues used to spend hours arguing with printers about who should pay for which mistake.

Curry does the cover and page designs himself. "I work long hours and that is my relaxation," he says.

His print broker, John Sany, usually gives the printing to Woolnough, in Wellingbor-



The home office: James and Clare Curry surrounded by books in their Islington house

Lydia van der Meer

ough, which prints racing publications and fits Curry book in between.

Curry says his distributors, Plymouth Distributors, and his representatives Africa Book Centre, deserve much of the credit for a jump in annual turnover from £100,000 in the early years to £250,000 in recent years. Previously he had dealt with a warehouse which closed, owing him three months' money.

Most books keep selling for

years, providing the cash for royalties, editorial and overheads. Any surplus goes into a pension fund. Personal computers, cheaper answering machines, improved telephones and "the most marvellous breakthrough, fax" all help a small publisher.

James Curry expects to publish about 20 titles a year. He steers clear of fiction, a Heinemann preserve, but gives a comprehensive account of African, and Caribbean, current

affairs: "though I once said we were never going to publish another book with structural adjustment in the title," he says.

Africa has suffered a books famine for a decade. The managing director of John Murray, publishers of Livingstone and other travellers, told him: "Your books are everywhere."

James Curry Publishers, 56 Thornhill Square, London N1 1BE. Tel: 0171-609-3026.

Two Years On / Clive Fewins
Staying on a rocking horse

An unplanned addition to the family provided the impetus for David Kiss to get his business back under a tight rein. The birth of Kiss' fourth son last year is the event that stands out as he looks back on the 27 months since The Rocking Horse Workshop was featured in the Weekend FT's Minding Your Own Business column.

"After the article in November 1992 highlighted our problems we received many encouraging letters urging us to keep battling on, including one from a monk in New York who enclosed a \$5 note with 'in God we trust' on it," said Kiss, 40.

"My wife Noreen and I are not particularly religious people but the encouraging mail, plus birth of our fourth son, Jay, in February 1994 inspired us to carry on, and we are glad we did so."

"We also received a certain amount of sympathy trade following the FT article, but the main reason for the gentle mitigation was the desire to make the business succeed," he said.

"We could have sold the house by auction, and it would probably have paid off our debts and given us sufficient for a deposit on a smaller house. But it could well have meant the end of the business, which needs the space and the workshop we have here. Besides, what else could we have done for a living?"

The Kisses have stayed, but they have withdrawn from the commitment of running a nursery school in their large Victorian house. The school helped support the rocking horse business, bringing in useful revenue for four years. But it meant Noreen had little time to spend assisting David make and restore the rocking horses.

Jay's arrival put an end to running the school - and the income it generated. But it also meant farewell to the £12,500 annual salary bill and

it has given Noreen, who trained at art college, the chance to spend at least some time working with her husband. The nursery school is now run by someone else, but it still brings in £150 a week in rent.

The other piece of good fortune has been the arrival of Noreen's brother, Tim Thatcher, who found himself homeless and jobless last June. Tim is a former marketing executive. He has helped with the administration and the promotional side of the business. He is also helping to standardise the range of rocking horses, of which there are 15 principal models.

"I never really considered myself a businessman and I used to spend far too much time answering the phone and sitting in my office poring over the books," Kiss said.

"Tim's arrival has meant I have had far more time for actually making the rocking horses. It has meant both Noreen and I can use our time better. We are more creative, we have a unity of purpose and we are happier."

"Naturally, we live in fear that Tim might leave us, as we provide his board and lodging but are unable to pay him a wage. But rocking horses get into your system and Tim is very committed. He has also convinced us that the way to sell our products is to take them to shows and we are going to do 10 this year."

"Many people regard us as the best makers and restorers of rocking horses in the country and the way to sell them is to get them before the public far more than we did previously. Tim has helped us do this. With his help we raised our turnover to £38,000 last year - our best year yet. In seven years we have still to make a profit but we can pay our way and are no longer living in fear of being closed down by the bank."

The Rocking Horse Workshop, Ashfield House, The Foxholes, Wem, Shropshire SY4. Tel: 01939-232335

Seven peaks of happiness

Continued from page 1

Graham was calm: "Let's get down into it and have a look."

He fixed an anchor and I abseiled down. There were three obstacles like this - notches in the ridge, one steep, another, thankfully, with a chock stone, another with a gaping void across which we were obliged to stride - and at each one, Graham fixed the rope, lowered me down, and led the climb out again. I was happy with it this way.

Lots of snow lay on the ridge. It was deep and slushy. My feet in leather boots were wet, my hands cold. Three hours passed, then four - but with Graham in control, I was relaxed, and doubted nothing.

Then "We'll give it an hour, and I think we should maybe turn back," said Graham, the voice of reason.

"What?!" Stubbornness set in. It was getting late, certainly, we hadn't a clue how far we had to go... but turn back?

In the event, we did not go on for an hour, we barely went on for five minutes. A couple of hundred yards of easy ground and we stood, pleased as punch, on the summit.

Carstensz was one of two mountains I climbed last summer. The other was Mount Elbrus in the Caucasus, Russia, which is of no special notoriety except that it happens to be the highest mountain in Europe. It stands 18,510ft - almost 3,000ft higher than Mont Blanc - and I climbed it with an old friend who had never set foot on a mountain in his life.

On Carstensz Graham was the grown-up, I the child. On Elbrus, Fiona was the child and I enjoyed it all the more for the pleasure I took just watching her face.

Such sweet memories to recall stuck at 20,000ft on Aconcagua. I had always feared Aconcagua would be hard one, and so it was proving to be. World we make it?

It seemed unlikely. There had been four of us at the start: one had started coughing blood, and another, Dave Halton, an old Everest chum, had accompanied him down. The only other team on the mountain had struck camp and gone. "Too cold," were their parting words.

Now, there was just my trusted pal John, who had performed so brilliantly on Everest, and myself. We had been tent bound for two days at 20,000ft.

On both afternoons there



Getting to the top: Rebecca Stephens adds to her vast experience

Dana Halton

had been complete white outs. On both evenings, lenticular clouds streaked the sky.

"Time was running short. Tomorrow was the last day we could climb if I was to catch my flight to the Antarctic and bag my seventh summit. We did not have much choice."

On November 6, John and I set off for the summit. There is

The air was thin; nausea rose from my stomach. Every cell in my body screamed: Stop!

a path up Aconcagua that zig-zags virtually all the way to the top, and even at this altitude the going was pretty easy: for the first 15,000ft or so.

"I think we can do this," I said, suddenly overcome with a bout of optimism. Only once had I been blown off my feet.

"I'm just worried about the wind on the ridge," said John. Directly above us was a snowy crest, and if, as we feared, we had to inch our way along it in high winds we were finished. My heart was heavy as we climbed slowly to the top.

John beamed down to me: "We don't have to climb along

the crest, but over it, into a broad sweeping col. Wind's strong, though."

"Strong" is not the word I would have used. I could barely stand up in it. It screamed, bellowed around my head as I braced my body against its force.

"Hey, it's your Seven Summits, not mine," yelled John. I could hardly make out his words.

"We can go on, or turn back. I'm really enjoying the battle today, but I'm happy to turn back. It's your decision," he said.

I looked across the col; the path, though gently angled, seemed to go on for ever. But did I want to come back to this mountain if we failed?

Never!

Strangely, as we fought our way along that path, we grew used to the noise of the wind, and then as the clouds closed in, as they had the day before, and the day before that, the wind dropped a little. We were looking down upon a storm swelling below us. The Canaletto, a steep attic stairway of loose, rolling scree leading to the final ridge, was hell. Every cell in my body was screaming: "Stop!"

We were somewhere above 22,000ft: the air was thin; nausea rose from my stomach. I must have been moving ever so slowly, for 100ft or so, from what I had imagined to be the

summit. John signalled to me from above that perhaps I might want to go down. Is he crazy? The sun was low in the sky, but still, I could not hurry myself.

It took me one whole hour to stumble that last 100ft. I lifted my exhausted body on to the summit plateau and there was John, holding a shining metal cross that shouted in all its heavenly symbolism, "We have done it!"

We had done it! The view was gorgeous, I think. I registered it for something less than a second and was violently sick.

Mount Vinson was a breeze by comparison. It is a lovely mountain, unspoiled and as pure as the new fallen snow in a splendidly rare and beautiful landscape. It does not get dark in the summer months in the Antarctic. I knew that, but even so it was weird.

At any time we could look out from our camp to numerous unnamed mountains and see just their peaks sticking above the millennia of compacted ice, like islands in a frozen sea. I wanted to jump in a boat and sail to them. Dave Halton was with me again on Vinson. It was a breeze. The sun shone. We stood on the summit - the seventh summit - and quite to my surprise, I burst into tears. It was the relief, I suppose, and joy, and sorrow. It was all over.

MINDING YOUR OWN BUSINESS

READERS ARE RECOMMENDED TO SEEK APPROPRIATE PROFESSIONAL ADVICE BEFORE ENTERING INTO COMMITMENTS

Established and successful Formula 1 merchandising company, looking for financial backer to develop UK and overseas markets. Ideally a person or company who would like to be involved with expansion program but not essential.

For further details please contact Mr. Crowley or Mr. Wicks on 01483 747052 or fax 01483 740021

LOW-CAL LTD
Offers requested for unused company and Registered name as above.
Please telephone 01789 459702 or fax 0789 459648

INTERNATIONAL FUND NEEDS INVESTMENT BANKERS to deal with high net worth individuals, banks, insurance co. and funds. Excellent compensation and benefits. Must have 10 yrs experience. Fax resume New York 212-758-8137

BUSINESS SERVICES

SAVE ON INT'L PHONE CALLS!
USA only 24p per min
Australia 40p per min
Ask about our low rates to other countries!

Kallback
FreePhone:
Call: 0800-96-4016
Fax: 0800-96-4015
Call USA: 1-206-216-6161
Call USA: 1-206-216-6262
Fax USA: 1-206-216-6262
419 2nd Ave NW, Seattle, WA 98101, USA

Call USA
Only 17P/Min
30 Mins Free
Australia
Only 29P/Min
Mexico 72p/min
Tel +44(0)181-690-5014
Fax +44(0)181-698-2430
Dial Int. Telecom UK
YOUR ADDRESS IN NEW YORK from Sydney
Tel/Fax/Mail & more 212 970-0917 Fax 212 970-0957 E-mail: nynew@compuserve.com

BUSINESSES FOR SALE

LONDON STAMP AUCTION
Est 30 yrs
Ltd Co T/O 300K
Purpose built offices as optional extra.

Write to Box B3861, Financial Times, One Southwark Bridge, London SE1 9HL

FOR SALE CONTRACT CLEANING CO.
Established Home Counties Company
Owner wishing to retire.
T/O £550,000 pa
Strong Gross Profits

Write to Box B3862, Financial Times, One Southwark Bridge, London SE1 9HL

LANGUAGE COURSE PUBLISHING/TRAINING
Course books, cassettes, goodwill and copyright. For sale because of growth of company's core activity.

Please write to Box B3825, Financial Times, One Southwark Bridge, London SE1 9HL

PRINTING & ADVERTISING COMPANY FOR SALE
T/O £710,000
Price £296,000
Tel: E.M. & F. 0242 237633

SOLICITORS PRACTICE FOR SALE
A thriving and highly profitable firm with a turnover of £5-6M and special commercial expertise in niche market seeks an interesting new "house". A significant element of capital realisation is planned and value is seen as being in the region of 1x turnover.

Interested parties please write to Box B3962, Financial Times, One Southwark Bridge, London SE1 9HL. Ref: K171

DOMESTIC CLEANING BUSINESS FOR SALE
SOUTH WEST LONDON
Trading successfully since 1988
Part of International Franchise Network
Full training and support given.
£75,000 S.T.C.

Call Michael, Smith & Turner 0181 944 5313 Ref: M.A.T.

All Advertisement bookings are accepted subject to our current Terms and Conditions, copies of which are available by writing to The Advertisement Compliance Director, The Financial Times, One Southwark Bridge, London SE1 9HL

Tel: +44 171 873 3223
Fax: +44 171 407 5758

BUSINESS SOFTWARE

To advertise in this section please telephone 071-673 3503 or write to Nadine Howarth at the Financial Times, One Southwark Bridge, London SE1 9HL or Fax 071 673 3065

APPLIED BUSINESS PLAN

Learns other plans standing. Most comprehensive plan available. Accurate accounting base. Used by managers & accountants & bankers in major UK & M.C.G. in over 30 countries. User friendly for Lotus, Excel, Supracore, Quattro, Symphony, Manufacturing & Distribution / Service versions available. SAVE 100% of hours. Prices from only £55 + VAT.

APPLIED BUSINESS SOFTWARE LTD
2 Weymouth Business Centre,
Clifford Lane, Bath BA2 3LX, UK.
Tel: 0225 463009 Fax: 0225 463085

INDICATORS EXPLAINED

Understanding Technical Indicators explains the derivatives applications, strengths, weaknesses & variations of the major technical tools, including: Moving Averages, Momentum, Rate of Change, RSI, CCI, Stochastic, Williams %R, MACD, Cycles & Oscillators. Easy to understand, the course will especially benefit technical analysis software users. For details of this and other courses call: NEW SKILLS 0161 438 1068/6760

PROPHET OR LOSS?

Financial Learning System™, a dynamic, simulation-based self study package that will help you determine the outcome. Acquire financial competence, understand strategic planning and remove the mystery from Balance Sheets, Profit & Loss Accounts, Capital Budgeting and more. UK & US Accounts. Formats available.

Contact: Strategic Management Group Inc., 6 Haddon Street, London W1R 7LH
Tel: +44 (0) 171 257 2837
Fax: +44 (0) 171 257 2753
Price: £195.00 + VAT + P&P.

MARKET ACCESS - DATA COLLECTION MADE SIMPLE

If you need data, fast, accurately, flexibly and reliably, look no further. Market Access, from Synergy Software, breaks new ground in data delivery and removes the anxiety of data maintenance. Extensive prices from most markets at your fingertips.

Synergy Software 0202 424282 or Fax 0202 422741

UNIVERSAL EXOTICS, OPTIONS, SWAP, YIELD, ZERO-CURVE ADD-INS

Additional spreadsheet functions for Financial Markets Professionals using Lotus 1-2-3 and Excel (Windows, OS/2, Mac), European and American style options and warrants on bonds, commodities, currencies, futures and shares.

Price range from \$999 to £2,495.
FSS - Financial Systems Software
A Division of FRO Limited
The Royal House, 12th floor
Leicester Square
London WC2R 7HT
Tel: +44 (0) 171 - 600 6003
Fax: +44 (0) 171 600 4102

PHONEDAY DATABASE UPDATE PROGRAM

Converts telephone numbers in databases automatically into the new dialling code format. Converts all old files in GAZELL, GAZSE IV, FORPRO, FORBASE, CLIPPER and similar older databases. Also converts PARADISK & ACCESS files via the direct import/export facility.

The program automatically puts your numbers into a standard format and 'cleans' the database before use.
£29.00 + VAT
Paymaster Systems Ltd 0161-958-4950

SUBSCRIBE TO SIARI

THE NEW STOCKMARKET SERVICE FOR THE PRIVATE INVESTOR
An exciting new breakthrough from Synergy Software. SIARI offers a complete one stop solution to your data, information and analysis needs. Keeping you right up to date with the UK stockmarket, SIARI combines powerful investment and portfolio management software with Synergy's renowned data delivery service. Available on subscription only, from just £10 per week. Call 0282 424282 NOW
For your FREE SIARI brochure

SELECT 400

RETAIL BANKING SYSTEM
Retail Bankworld Package
Selected by three of the largest UK Building Societies
Complex Functionality
Multi-Currency
Multi-Lingual Correspondence
On-line Signature Verification
A truly modern economic platform for IT efficiency.

John O'Connell Credit Software
Tel: 0634 624577 Fax: 0634 626790
381 Huddersfield, W21 1JL
Tel: 0762 242456 Fax: 0762 244548

RICHARD HEXTON

Richard Hexton author of 4 books published on technical analysis has launched his own comprehensive trading systems for the FTSE & Currency Markets.

For further information please tel: 0171 825 0804

سید من الامام

PERSPECTIVES

The rise of the Rothschilds

Andrew Fisher visits an exhibition close to the family's roots

The Rothschild name has fascinated, infuriated and excited the envy of so many investors, borrowers and competitors over two centuries. It still exerts a hold over people's imagination, though the family's dominance of European financial affairs has long receded.

It was the Rothschilds who financed the English armies of Wellington in Spain and France, enabled Britain to buy into the Suez Canal, arranged the first Prussian bond and pioneered the development of Russian oilfields. They also helped finance the first railways.

From Frankfurt's Jewish ghetto to salons, palaces and stately homes across Europe, they built such an empire and surrounded themselves with such an aura of wealth and invincibility that their services became indispensable to governments, rulers and companies. In the words of Miriam Rothschild, a scientist and writer and a surviving descendant, their efforts formed "the prototype of a European economic community, the first EEC".

The Rothschilds did not lack self-confidence as they built their international fortune. "I have never doubted that if we continue this way, we shall become the richest men in Europe," said James Rothschild in 1818 as he developed the Paris side of the business. In the same year, Nathan Mayer Rothschild in London assured the Prussian government his family should float the bond issue that helped make their reputation - "only the Rothschilds can handle it".

Both men were right. The family's success stemmed from a combination of cleverness, boldness, persuasive powers and ability to work together. The Rothschilds were adept at out-manoeuvring their rivals, as the Prussian bond negotiations demonstrated.

Heavily indebted Prussia was paying 24 per cent on its short-term debt and the Rothschilds saw a chance to enter the potentially lucrative bond market. They beat banks in Berlin and Amsterdam by offering to raise more money and accepting a low commission. Demand for the bonds was high and they were sold on the exchanges of Amsterdam, Berlin, Frankfurt, Hamburg and London.

The bond was launched when Austria, France and Russia also wanted to raise money in this way. Its success was a tribute to the Rothschilds' tenacity and skills. It

also showed their nose for profit. The family later did well out of government bonds.

The family's enterprising spirit originated with Meyer Amschel Rothschild in the over-crowded Judengasse (Jewish ghetto) in the late 18th century. He was the father of the five sons - Amschel, Salomon, Nathan, Carl and James - who spread the Rothschild name throughout Europe. The 250th anniversary of his birth is being marked by the first exhibition of the family in Frankfurt's Jewish Museum (in a former Rothschild house).

The exhibition begins with Meyer Amschel's early struggles as a coin dealer and his efforts to gain favour with the Elector of Hesse, whose family had built up a fortune hiring out mercenaries. Meyer Amschel was born and died in the ghetto. The family name stems from the

The family formed 'the prototype of a European economic community'

house his forbears built: Rotes Schild (red shield).

Against strong competition from other court Jews Meyer Amschel and early partners obtained a contract from the Elector to finance his armies. He also helped invest the Elector's wealth. His breakthrough came in 1803 when he floated a bond for Denmark and sold the whole issue to Elector William IX.

When Napoleon's armies defeated Prussia, the Elector fled to Prague. His fortune was hidden in 119 chests, but those containing silver and coins were found. However, those with title deeds and documents on state bonds were smuggled out by bribing the French. The Rothschilds collected the interest on the bonds and invested this or paid it to the Elector.

In exile, the Elector became dependent on the skills and contacts of the Rothschilds who later built up an unrivalled communications network across Europe using postal services, couriers, a network of agents and carrier pigeons.

They, in turn, had much to thank him for. Most of the Elector's wealth was in English government bonds. Because it was difficult to transfer funds to him in Prague dur-

ing the French trade blockade, the interest was reinvested in London.

Nathan used the Elector's earnings to help build his business. The Elector had instructed him to buy other securities at a certain price; until this was reached, Nathan used the funds for his own ventures, paying the Elector a low interest rate. Thus he laid the basis of the London bank which became a vital element in the Rothschilds' success.

Nathan had gone to England to trade in cotton, not set up a bank. The family had traded in English goods since 1786. When the Napoleonic wars hampered this business, Nathan moved to Manchester, centre of the cotton trade.

Eventually, the wars made trading too difficult and Nathan moved to London, where he married Hannah Cohen, daughter of Levy Barent Cohen, a prominent merchant. This gave him access to important Jewish families such as the Montefiores, Mocattas and Goldsmids. London was the financial centre of Europe, and England an important power.

Thus the Rothschild emphasis shifted from Frankfurt to London. It was at this time that the family's skills, cunning and daring were shown to the utmost. Nathan smuggled cash to France where James bought London bills of exchange at a huge discount caused by the trade embargo. Nathan redeemed these in London at face value. The French approved, hoping this would destabilise English finances.

Meanwhile, the Duke of Wellington's army on the continent was running out of money. It could only sell Treasury bills locally at a huge loss. When Wellington crossed from Spain into France in 1814, the Rothschilds used money smuggled into the country to buy French bank bills which could be redeemed at a better rate. Nathan provided gold for the Treasury to mint coins which were sent to France. The family also hoarded French cash in northern France, the Netherlands and Germany, paid for by bills drawn on their Frankfurt bank. This was sent by warships to southern France for Wellington.

Although the family did not make high profits from these bold dealings, they forged an invaluable link with the government.

The Rothschilds were close to other governments. They floated bonds to finance railways and industry in Belgium - which had the world's first state-owned rail system - in the 1830s. Salomon in Vienna raised money for railways

in Austria. The family also financed

in gold, also became involved in diamonds through De Beers, nickel through Société le Nickel and copper through Rio Tinto.

Towards the end of the 19th century, however, their power was waning. Industrialisation brought

new names to the fore and capital was organised on a larger scale, with joint stock banks becoming important. The Frankfurt bank closed in 1901, though the Rothschild bank has again been represented there since 1989.

An era had ended, but the Rothschilds remained a byword for opulence.

■ *The Rothschilds - A European Family*. Jewish Museum, Untermainkai 14-15, 60311 Frankfurt/Main. Until Monday.

new names to the fore and capital was organised on a larger scale, with joint stock banks becoming important. The Frankfurt bank closed in 1901, though the Rothschild bank has again been represented there since 1989.

An era had ended, but the Rothschilds remained a byword for opulence.

■ *The Rothschilds - A European Family*. Jewish Museum, Untermainkai 14-15, 60311 Frankfurt/Main. Until Monday.

new names to the fore and capital was organised on a larger scale, with joint stock banks becoming important. The Frankfurt bank closed in 1901, though the Rothschild bank has again been represented there since 1989.

An era had ended, but the Rothschilds remained a byword for opulence.

■ *The Rothschilds - A European Family*. Jewish Museum, Untermainkai 14-15, 60311 Frankfurt/Main. Until Monday.

new names to the fore and capital was organised on a larger scale, with joint stock banks becoming important. The Frankfurt bank closed in 1901, though the Rothschild bank has again been represented there since 1989.

An era had ended, but the Rothschilds remained a byword for opulence.

■ *The Rothschilds - A European Family*. Jewish Museum, Untermainkai 14-15, 60311 Frankfurt/Main. Until Monday.

new names to the fore and capital was organised on a larger scale, with joint stock banks becoming important. The Frankfurt bank closed in 1901, though the Rothschild bank has again been represented there since 1989.

An era had ended, but the Rothschilds remained a byword for opulence.

■ *The Rothschilds - A European Family*. Jewish Museum, Untermainkai 14-15, 60311 Frankfurt/Main. Until Monday.

new names to the fore and capital was organised on a larger scale, with joint stock banks becoming important. The Frankfurt bank closed in 1901, though the Rothschild bank has again been represented there since 1989.

An era had ended, but the Rothschilds remained a byword for opulence.

■ *The Rothschilds - A European Family*. Jewish Museum, Untermainkai 14-15, 60311 Frankfurt/Main. Until Monday.

new names to the fore and capital was organised on a larger scale, with joint stock banks becoming important. The Frankfurt bank closed in 1901, though the Rothschild bank has again been represented there since 1989.

An era had ended, but the Rothschilds remained a byword for opulence.

■ *The Rothschilds - A European Family*. Jewish Museum, Untermainkai 14-15, 60311 Frankfurt/Main. Until Monday.

new names to the fore and capital was organised on a larger scale, with joint stock banks becoming important. The Frankfurt bank closed in 1901, though the Rothschild bank has again been represented there since 1989.

An era had ended, but the Rothschilds remained a byword for opulence.

■ *The Rothschilds - A European Family*. Jewish Museum, Untermainkai 14-15, 60311 Frankfurt/Main. Until Monday.

new names to the fore and capital was organised on a larger scale, with joint stock banks becoming important. The Frankfurt bank closed in 1901, though the Rothschild bank has again been represented there since 1989.

An era had ended, but the Rothschilds remained a byword for opulence.

■ *The Rothschilds - A European Family*. Jewish Museum, Untermainkai 14-15, 60311 Frankfurt/Main. Until Monday.

new names to the fore and capital was organised on a larger scale, with joint stock banks becoming important. The Frankfurt bank closed in 1901, though the Rothschild bank has again been represented there since 1989.

An era had ended, but the Rothschilds remained a byword for opulence.

■ *The Rothschilds - A European Family*. Jewish Museum, Untermainkai 14-15, 60311 Frankfurt/Main. Until Monday.

new names to the fore and capital was organised on a larger scale, with joint stock banks becoming important. The Frankfurt bank closed in 1901, though the Rothschild bank has again been represented there since 1989.

An era had ended, but the Rothschilds remained a byword for opulence.

■ *The Rothschilds - A European Family*. Jewish Museum, Untermainkai 14-15, 60311 Frankfurt/Main. Until Monday.

new names to the fore and capital was organised on a larger scale, with joint stock banks becoming important. The Frankfurt bank closed in 1901, though the Rothschild bank has again been represented there since 1989.

An era had ended, but the Rothschilds remained a byword for opulence.

■ *The Rothschilds - A European Family*. Jewish Museum, Untermainkai 14-15, 60311 Frankfurt/Main. Until Monday.

new names to the fore and capital was organised on a larger scale, with joint stock banks becoming important. The Frankfurt bank closed in 1901, though the Rothschild bank has again been represented there since 1989.

An era had ended, but the Rothschilds remained a byword for opulence.

■ *The Rothschilds - A European Family*. Jewish Museum, Untermainkai 14-15, 60311 Frankfurt/Main. Until Monday.

new names to the fore and capital was organised on a larger scale, with joint stock banks becoming important. The Frankfurt bank closed in 1901, though the Rothschild bank has again been represented there since 1989.

An era had ended, but the Rothschilds remained a byword for opulence.

■ *The Rothschilds - A European Family*. Jewish Museum, Untermainkai 14-15, 60311 Frankfurt/Main. Until Monday.

new names to the fore and capital was organised on a larger scale, with joint stock banks becoming important. The Frankfurt bank closed in 1901, though the Rothschild bank has again been represented there since 1989.

An era had ended, but the Rothschilds remained a byword for opulence.

■ *The Rothschilds - A European Family*. Jewish Museum, Untermainkai 14-15, 60311 Frankfurt/Main. Until Monday.

new names to the fore and capital was organised on a larger scale, with joint stock banks becoming important. The Frankfurt bank closed in 1901, though the Rothschild bank has again been represented there since 1989.

An era had ended, but the Rothschilds remained a byword for opulence.

■ *The Rothschilds - A European Family*. Jewish Museum, Untermainkai 14-15, 60311 Frankfurt/Main. Until Monday.

new names to the fore and capital was organised on a larger scale, with joint stock banks becoming important. The Frankfurt bank closed in 1901, though the Rothschild bank has again been represented there since 1989.

An era had ended, but the Rothschilds remained a byword for opulence.

■ *The Rothschilds - A European Family*. Jewish Museum, Untermainkai 14-15, 60311 Frankfurt/Main. Until Monday.

new names to the fore and capital was organised on a larger scale, with joint stock banks becoming important. The Frankfurt bank closed in 1901, though the Rothschild bank has again been represented there since 1989.

An era had ended, but the Rothschilds remained a byword for opulence.

■ *The Rothschilds - A European Family*. Jewish Museum, Untermainkai 14-15, 60311 Frankfurt/Main. Until Monday.

new names to the fore and capital was organised on a larger scale, with joint stock banks becoming important. The Frankfurt bank closed in 1901, though the Rothschild bank has again been represented there since 1989.

An era had ended, but the Rothschilds remained a byword for opulence.

■ *The Rothschilds - A European Family*. Jewish Museum, Untermainkai 14-15, 60311 Frankfurt/Main. Until Monday.

new names to the fore and capital was organised on a larger scale, with joint stock banks becoming important. The Frankfurt bank closed in 1901, though the Rothschild bank has again been represented there since 1989.

An era had ended, but the Rothschilds remained a byword for opulence.

■ *The Rothschilds - A European Family*. Jewish Museum, Untermainkai 14-15, 60311 Frankfurt/Main. Until Monday.

new names to the fore and capital was organised on a larger scale, with joint stock banks becoming important. The Frankfurt bank closed in 1901, though the Rothschild bank has again been represented there since 1989.

An era had ended, but the Rothschilds remained a byword for opulence.

■ *The Rothschilds - A European Family*. Jewish Museum, Untermainkai 14-15, 60311 Frankfurt/Main. Until Monday.

new names to the fore and capital was organised on a larger scale, with joint stock banks becoming important. The Frankfurt bank closed in 1901, though the Rothschild bank has again been represented there since 1989.

An era had ended, but the Rothschilds remained a byword for opulence.

■ *The Rothschilds - A European Family*. Jewish Museum, Untermainkai 14-15, 60311 Frankfurt/Main. Until Monday.

An era had ended, but the Rothschilds remained a byword for opulence.

■ *The Rothschilds - A European Family*. Jewish Museum, Untermainkai 14-15, 60311 Frankfurt/Main. Until Monday.

new names to the fore and capital was organised on a larger scale, with joint stock banks becoming important. The Frankfurt bank closed in 1901, though the Rothschild bank has again been represented there since 1989.

An era had ended, but the Rothschilds remained a byword for opulence.

■ *The Rothschilds - A European Family*. Jewish Museum, Untermainkai 14-15, 60311 Frankfurt/Main. Until Monday.

new names to the fore and capital was organised on a larger scale, with joint stock banks becoming important. The Frankfurt bank closed in 1901, though the Rothschild bank has again been represented there since 1989.

An era had ended, but the Rothschilds remained a byword for opulence.

■ *The Rothschilds - A European Family*. Jewish Museum, Untermainkai 14-15, 60311 Frankfurt/Main. Until Monday.

new names to the fore and capital was organised on a larger scale, with joint stock banks becoming important. The Frankfurt bank closed in 1901, though the Rothschild bank has again been represented there since 1989.

An era had ended, but the Rothschilds remained a byword for opulence.

■ *The Rothschilds - A European Family*. Jewish Museum, Untermainkai 14-15, 60311 Frankfurt/Main. Until Monday.

new names to the fore and capital was organised on a larger scale, with joint stock banks becoming important. The Frankfurt bank closed in 1901, though the Rothschild bank has again been represented there since 1989.

An era had ended, but the Rothschilds remained a byword for opulence.

■ *The Rothschilds - A European Family*. Jewish Museum, Untermainkai 14-15, 60311 Frankfurt/Main. Until Monday.

new names to the fore and capital was organised on a larger scale, with joint stock banks becoming important. The Frankfurt bank closed in 1901, though the Rothschild bank has again been represented there since 1989.

An era had ended, but the Rothschilds remained a byword for opulence.

■ *The Rothschilds - A European Family*. Jewish Museum, Untermainkai 14-15, 60311 Frankfurt/Main. Until Monday.

new names to the fore and capital was organised on a larger scale, with joint stock banks becoming important. The Frankfurt bank closed in 1901, though the Rothschild bank has again been represented there since 1989.

An era had ended, but the Rothschilds remained a byword for opulence.

■ *The Rothschilds - A European Family*. Jewish Museum, Untermainkai 14-15, 60311 Frankfurt/Main. Until Monday.

new names to the fore and capital was organised on a larger scale, with joint stock banks becoming important. The Frankfurt bank closed in 1901, though the Rothschild bank has again been represented there since 1989.

An era had ended, but the Rothschilds remained a byword for opulence.

■ *The Rothschilds - A European Family*. Jewish Museum, Untermainkai 14-15, 60311 Frankfurt/Main. Until Monday.

new names to the fore and capital was organised on a larger scale, with joint stock banks becoming important. The Frankfurt bank closed in 1901, though the Rothschild bank has again been represented there since 1989.

An era had ended, but the Rothschilds remained a byword for opulence.

■ *The Rothschilds - A European Family*. Jewish Museum, Untermainkai 14-15, 60311 Frankfurt/Main. Until Monday.

new names to the fore and capital was organised on a larger scale, with joint stock banks becoming important. The Frankfurt bank closed in 1901, though the Rothschild bank has again been represented there since 1989.

An era had ended, but the Rothschilds remained a byword for opulence.

■ *The Rothschilds - A European Family*. Jewish Museum, Untermainkai 14-15, 60311 Frankfurt/Main. Until Monday.

new names to the fore and capital was organised on a larger scale, with joint stock banks becoming important. The Frankfurt bank closed in 1901, though the Rothschild bank has again been represented there since 1989.

An era had ended, but the Rothschilds remained a byword for opulence.

■ *The Rothschilds - A European Family*. Jewish Museum, Untermainkai 14-15, 60311 Frankfurt/Main. Until Monday.

new names to the fore and capital was organised on a larger scale, with joint stock banks becoming important. The Frankfurt bank closed in 1901, though the Rothschild bank has again been represented there since 1989.

An era had ended, but the Rothschilds remained a byword for opulence.

■ *The Rothschilds - A European Family*. Jewish Museum, Untermainkai 14-15, 60311 Frankfurt/Main. Until Monday.

new names to the fore and capital was organised on a larger scale, with joint stock banks becoming important. The Frankfurt bank closed in 1901, though the Rothschild bank has again been represented there since 1989.

An era had ended, but the Rothschilds remained a byword for opulence.

■ *The Rothschilds - A European Family*. Jewish Museum, Untermainkai 14-15, 60311 Frankfurt/Main. Until Monday.

new names to the fore and capital was organised on a larger scale, with joint stock banks becoming important. The Frankfurt bank closed in 1901, though the Rothschild bank has again been represented there since 1989.

An era had ended, but the Rothschilds remained a byword for opulence.

■ *The Rothschilds - A European Family*. Jewish Museum, Untermainkai 14-15, 60311 Frankfurt/Main. Until Monday.

new names to the fore and capital was organised on a larger scale, with joint stock banks becoming important. The Frankfurt bank closed in 1901, though the Rothschild bank has again been represented there since 1989.

An era had ended, but the Rothschilds remained a byword for opulence.

■ *The Rothschilds - A European Family*. Jewish Museum, Untermainkai 14-15, 60311 Frankfurt/Main. Until Monday.

new names to the fore and capital was organised on a larger scale, with joint stock banks becoming important. The Frankfurt bank closed in 1901, though the Rothschild bank has again been represented there since 1989.

An era had ended, but the Rothschilds remained a byword for opulence.

■ *The Rothschilds - A European Family*. Jewish Museum, Untermainkai 14-15, 60311 Frankfurt/Main. Until Monday.

new names to the fore and capital was organised on a larger scale, with joint stock banks becoming important. The Frankfurt bank closed in 1901, though the Rothschild bank has again been represented there since 1989.

An era had ended, but the Rothschilds remained a byword for opulence.

■ *The Rothschilds - A European Family*. Jewish Museum, Untermainkai 14-15, 60311 Frankfurt/Main. Until Monday.

new names to the fore and capital was organised on a larger scale, with joint stock banks becoming important. The Frankfurt bank closed in 1901, though the Rothschild bank has again been represented there since 1989.

An era had ended, but the Rothschilds remained a byword for opulence.

■ *The Rothschilds - A European Family*. Jewish Museum, Untermainkai 14-15, 60311 Frankfurt/Main. Until Monday.

An era had ended, but the Rothschilds remained a byword for opulence.

■ *The Rothschilds - A European Family*. Jewish Museum, Untermainkai 14-15, 60311 Frankfurt/Main. Until Monday.

new names to the fore and capital was organised on a larger scale, with joint stock banks becoming important. The Frankfurt bank closed in 1901, though the Rothschild bank has again been represented there since 1989.

An era had ended, but the Rothschilds remained a byword for opulence.

■ *The Rothschilds - A European Family*. Jewish Museum, Untermainkai 14-15, 60311 Frankfurt/Main. Until Monday.

new names to the fore and capital was organised on a larger scale, with joint stock banks becoming important. The Frankfurt bank closed in 1901, though the Rothschild bank has again been represented there since 1989.

An era had ended, but the Rothschilds remained a byword for opulence.

■ *The Rothschilds - A European Family*. Jewish Museum, Untermainkai 14-15, 60311 Frankfurt/Main. Until Monday.

new names to the fore and capital was organised on a larger scale, with joint stock banks becoming important. The Frankfurt bank closed in 1901, though the Rothschild bank has again been represented there since 1989.

An era had ended, but the Rothschilds remained a byword for opulence.

■ *The Rothschilds - A European Family*. Jewish Museum, Untermainkai 14-15, 60311 Frankfurt/Main. Until Monday.

new names to the fore and capital was organised on a larger scale, with joint stock banks becoming important. The Frankfurt bank closed in 1901, though the Rothschild bank has again been represented there since 1989.

An era had ended, but the Rothschilds remained a byword for opulence.

■ *The Rothschilds - A European Family*. Jewish Museum, Untermainkai 14-15, 60311 Frankfurt/Main. Until Monday.

new names to the fore and capital was organised on a larger scale, with joint stock banks becoming important. The Frankfurt bank closed in 1901, though the Rothschild bank has again been represented there since 1989.

An era had ended, but the Rothschilds remained a byword for opulence.

■ *The Rothschilds - A European Family*. Jewish Museum, Untermainkai 14-15, 60311 Frankfurt/Main. Until Monday.

new names to the fore and capital was organised on a larger scale, with joint stock banks becoming important. The Frankfurt bank closed in 1901, though the Rothschild bank has again been represented there since 1989.

An era had ended, but the Rothschilds remained a byword for opulence.

■ *The Rothschilds - A European Family*. Jewish Museum, Untermainkai 14-15, 60311 Frankfurt/Main. Until Monday.

GARDENING AND MOTORING

Blushing early charmers

Robin Lane Fox makes the most of a welcome season of colourful blossoms

In the rain, the year in England has once again jumped six weeks; we are glimpsing April while enduring February. Japonica was out in January, primroses have coincided with snowdrops, magnolias joined the mimosa in warm parts of London on St Valentine's Day. When will we declare it normal and look back on the years until 1996 as the last age of ice before liberalisation?

It certainly shows up those who only plant for dreamy summers. Gardening is half-hearted if it is limited to three months; one way of lengthening the season is to do a bunk. Rich Edwardians were the first to work out the alternative English calendar. Extravagant planters migrated in winter to the south of France and stole a preliminary spring, before returning home to avoid the Mediterranean sun which we all pursue.

Those of us without a Caribbean subsidiary lack the overseas option: knowledge lengthens seasons too and we can prolong the English act by reading, looking and thinking.

You do not have to look carefully to see that town-dwellers are having the best of it. The shelter has brought on the early spring shrubs and the street trees; the camellias are absurdly early and everywhere, the streets are exhaling clouds of pale prunus.

Those living in the country should take note. Townscapes are already teeming with the early Prunus pissardii, which was favoured by a previous generation of street planters. In the first flush of flower, we can see their thinking. The purple-brown leaves are no obstacle to the delicate clouds of pinkish white flower and the trees grow everywhere. By late spring, however, the leaves are dull and I would not want these in the garden. Looking, however, can set us thinking: are there equally early alternatives?

Behind the garden wall, Prunus trilobata is one of the best of the purple-leaved bunch. Usually, I avoid purple and brown leaves, but this variety has richness and stamina to

the colour and does not look a mess in mid-summer. It grows easily, but the name is its own worst enemy, implying that the flowers will be a brilliant pink. The leaves, not the flowers, blaze the trail and I wish we saw more of them.

My own first choices are different. The last two winters have been kind, but I have had excellent years from an early pair of Prunus which the birds have left alone. The two varieties, kursor and okame, boast 10 suppliers each in *The Plant Finder*, 10 years ago, these award-winning trees were hard to find outside botanic gardens.

Kursor is the smaller of the two, at about 10ft high with wonderfully harsh and shocking pink flowers. Its natural season is February and it reminds us that enjoyable colour in gardens varies with the season. In high summer, it would be monstrous, but it is another matter in the poor light and lack of competition as winter ends.

Okame is taller and paler, but it has the same enchanting wildness to the flowers among the young leaves. They are both excellent trees, although okame has the more subtle leaf. You can compare them in Oxford's Botanic Garden, where they grow near one another.

I associate their colour with the low-growing Prunus tenella, the equivalent shocker among pinks which is about 3ft high. Remarkably, this mild winter has brought it into flower already, two months before its usual opening. This easy plant is good because it makes a thicket which can be split into more pieces. The stems are thin and forwards; they look great among the catmint if you have a south-facing slope that you want to cover and keep free of weeds. Fire Hill is brighter and almost red; both varieties look their best among silvery young leaves in spring.

At a greater height, the other early charmer is Prunus incisa, a spreading tree which is never heavy or coarse. The award-winning form here is praecox, which deserves its early name. It



Prunus incisa blossom showing its form: a tall spreading tree which is never heavy or coarse

usually opens in March against a blue spring sky, but the single-flowered cherry is already at its best against the leaden clouds of this winter. I have never grown the February pink variety, but this year it contradicted itself and looked its best in January.

If your garden runs into a field, or your drive opens out into unplanted grass, a tree of Prunus incisa praecox would be one of my first choices, as would the incomparable winter-flowering Prunus subhirtella which gets better each year.

To non-gardeners, cherry blossom means springtime - a brief burst of flower in late April and thoughts of the Far East. This early season reminds us not to be so narrow minded.

It has brought on all the late March varieties and merged them with the winter flowerers, jamming the delicate, single forms which appear this

month and attracting particular notice.

I have never had much luck with peach blossom and I find almond-blossom more sparse. These delicate early forms deserve their awards in any year, whether or not we see them so early again.

Perhaps you still prefer the Barbados solution, but they are one of the things that make me tell myself I am glad I cannot have it.

Two-pedal or not to pedal

Should cars have two or three pedals? A generation ago Americans decided, sensibly, on two. Moving a gear lever and depressing a clutch pedal hundreds of times every driving day was, they felt, an unnecessary chore. But in Europe, 80 per cent of cars are still sold with manual gears. Motorists of mature years and executive-class company car drivers of all ages in Britain need no convincing of the merits of two-pedal control. Younger people, though, seem to equate a preference for automatic transmission with the onset of senility.

I would be the first to concede that the automatics of, say, 25 years ago did not suit the average, small-engined European car. They had only three speeds. The constant slipping of their hydraulic torque converters took a heavy toll on both fuel consumption and performance. Over the years automatic transmissions have gained one or two extra ratios plus lock-up in top. Four-speeders are now almost standard on all two-pedal European cars and five-speeders have started to appear.

Mercedes-Benz unveiled a new one earlier this month, claiming it as the world's most advanced. It has electronic controls that adjust to a driver's individual style, contains half the number of parts of conventional automatic gearboxes and weighs 30 per cent less. The V8 engine S600 and S800 coupes get it first but ultimately, it will be available on all Mercedes-Benz cars.

Automatics are much more efficient than they were, but still demand a trade-off between convenience and economy. Which is why Saab is taking a different path toward two-pedal control. It is called Sensonic.

A normal synchromesh gearbox is linked to an automatic clutch. The driver only has to select the right gear and the transmission does the rest. Driving in traffic is easier, fuel economy is the

same as that of a manual car. The system will add about £800 to the price of a Saab 900 turbo.

Sensonic's basic idea is at least 40 years old. In the mid-1950s I drove an early mid-war Morris Oxford - the kind with a mouth organ grille, bench front seat and steering column gearshift - equipped with "Manumatic", a primitive forerunner of Sensonic.

Will Sensonic fare better? It worked perfectly well in a Saab 900 Turbo convertible I drove the other week. The auto clutch always took up the drive smoothly; the system coped equally well with rushed or leisurely gear changes. If I tried to hang on to a high gear too long, a bleeper reminded me to change down with elimination of the clutch pedal are the strong cards in Sensonic's suit. The French like it. Eighty per cent of all Saab 900s sold there are now Sensonics. Perhaps it is due to a Gallic fondness for the gear lever, suspicion of full automatic transmission and the high price of petrol.

Sensonic would not appeal to me; I would prefer the excellent automatic transmission available in all Saabs, even though it makes them use about 10 per cent more petrol than manual gearbox models. Or, of course, a manual.

One saves £600 by working the clutch oneself. The front-wheel driven Saab's 2-litre, 16-valve engine with balance shafts puts out 133 horsepower - substantially more than the BMW 318i Compact's 8-valve engine (102 bhp), slightly less than the dealer's (115.780) 318i Compact's 16-valve, 140 bhp unit.

Like the BMW Compact, the Saab's standard equipment includes ABS brakes, driver's airbag, power steering and electric windows. For some buyers the clincher could be that the Saab might be mistaken for a much costlier Turbo whereas there is no disguising the BMW Compact's entry model status.

Stuart Marshall

The kindest cuttings

Roy Barnes wonders if there are tricks to propagating with success

Its support flourished.

It has always been a source of wonder that a small part of a plant can be severed from its parent and planted out to develop all the characteristics of the plant from which it was taken. It is as if you could plant a human toe in a suitable growing medium, and it would turn into a whole human being looking and behaving exactly like the donor.

Vegetative propagation is a handy business. A couple of years ago, in February, a distinguished botanist was moving house and selling off much of his garden to raise funds for the hard-pressed botanic garden of which he had lately been director.

Many of us took advantage of this rare opportunity and removed mature shrubs by the dozen. In my case, they all settled nicely into their new homes. We had also been invited to take cuttings of shrubs that could not be removed. It seemed the wrong time of year for cuttings, but those that knew - academics and practical gardeners alike - assured us that everything would be all right, just plant the cuttings in damp sand and wait until spring.

I took 26 cuttings in all; two

took, both from cuttings of a mature wrinkle-leaved Viburnum (V. rhytidophyllum). Cuttings of five other varieties of Viburnum died, as did six varieties of honeysuckle, two each from Prunus mume, a single-flowered Kerria japonica and even a sweet-smelling rambling rose. But I do not know why.

I had taken great care to follow the rule book: cut below a node, remove all but two leaves, dip in hormone-rooting powder, keep them damp and protected from frost. Perhaps it was a simple lack of faith that killed them; I did not really expect them to take.

Later that year, when I was doing some pruning, I jammed a few sticks of Buddleia globosa and Chaenomeles japonica into the ground where I could find a few gaps. Almost all of them grew to perfection. One of the Buddleias is even a finer specimen than the parent at the other end of the same border.

The prunings of other species which have been stuck hurriedly into any garden space available and lived, include Abelia grandiflora, Viburnum tinus, Fatsia japonica, Lonicera pileata and L. nitida, common rosemary, Hydrangea petiolaris and every

form of Berberis. Failures have been Eschschoria racemosa, Mahonia japonica, Deutzia and all confiders except one little twig of Thuja plicata which, after two years of trying, has not yet given up the ghost.

One is tempted to conclude that it does not much matter what you do with cuttings; they either grow or they do not, and success or failure has little to do with knowledge and more to do with luck.

Yet, all those clever people do have reasons for their advice. I recently discovered in a reference book why my Violet willow might have prospered and the Gypsophila paniculata it was supporting died. Willows, it appears, have pre-formed roots at the nodes, which will quickly develop in any soil, so long as it is damp enough, and Gypsophila requires a well-drained, even sandy soil. So, my soggy clay is the answer.

I also discovered why the experts say cut below a node: nodes are joints in the stem where the growth hormone, auxin, lurks, waiting to promote growth of stem, shoot or root, depending on circumstances.

It makes sense, then, if it is roots you want, to make sure that the growth point is as near as possible to its source of food and stimulation rather than fin up a length of inter-node.

Nevertheless, some of my 3ft-long prunings, pushed a foot into the ground, grew while a lot of my careful cuttings did not. Doubtless it is because other circumstances were favourable - the soil was warm, the plant was better structured to take up nutrients through a bare stick and, possibly most important, I have always left a substantial heel on the pruning, believing that this thin strip would turn into a root.

It is more likely, however, that root formation has been quickened by exposing the cambium layer, which contains the cells that will grow into roots, to direct contact with the earth.

No matter how much knowledge we acquire, however, it is always a thrill when a bare stick grows into a plant.

form of Berberis. Failures have been Eschschoria racemosa, Mahonia japonica, Deutzia and all confiders except one little twig of Thuja plicata which, after two years of trying, has not yet given up the ghost.

One is tempted to conclude that it does not much matter what you do with cuttings; they either grow or they do not, and success or failure has little to do with knowledge and more to do with luck.

Yet, all those clever people do have reasons for their advice. I recently discovered in a reference book why my Violet willow might have prospered and the Gypsophila paniculata it was supporting died. Willows, it appears, have pre-formed roots at the nodes, which will quickly develop in any soil, so long as it is damp enough, and Gypsophila requires a well-drained, even sandy soil. So, my soggy clay is the answer.

I also discovered why the experts say cut below a node: nodes are joints in the stem where the growth hormone, auxin, lurks, waiting to promote growth of stem, shoot or root, depending on circumstances.

It makes sense, then, if it is roots you want, to make sure that the growth point is as near as possible to its source of food and stimulation rather than fin up a length of inter-node.

Nevertheless, some of my 3ft-long prunings, pushed a foot into the ground, grew while a lot of my careful cuttings did not. Doubtless it is because other circumstances were favourable - the soil was warm, the plant was better structured to take up nutrients through a bare stick and, possibly most important, I have always left a substantial heel on the pruning, believing that this thin strip would turn into a root.

It is more likely, however, that root formation has been quickened by exposing the cambium layer, which contains the cells that will grow into roots, to direct contact with the earth.

No matter how much knowledge we acquire, however, it is always a thrill when a bare stick grows into a plant.

MOTORS

HASSOP LEXUS offers the LS400 for £311,000 and the GS300 for £268,000. Demonstrations at your home or office. Tel: 081 499 0005 for details.

JEMICA, London's Largest Dealer for LEXUS. Tel: 081 203 1888

Weekend FT

WORLDWIDE RESIDENTIAL PROPERTY SUPPLEMENT

MARCH 18th 1995

If you have residential property for sale or to let in the UK or overseas, advertise in this SPECIAL ISSUE which will reach approximately 1 million home buyers or tenants in 160 countries.

Examples:

LINEAGE at £12 per line + VAT (minimum 3 lines)
(5 words approx per line)
e.g. 3 lines = £36 + VAT

SW1 - Luxury pied-à-terre - superb location just off Jermyn Street, £220 p.w. Tel: 0171 499 0005

DISPLAY at £35 per column cm + VAT (minimum 3 lines)
e.g. 3cmx1col = £111 + VAT

NR. WINDSOR.

SHORT LET.

Detached Tudor residence. 4/5 beds, 2 bath. Shower cubicle. 3 rears. £500 p.w. Tel: 0171 730 0267/0753 840 733

DISPLAY with photograph £37 per col cm mono £50 per col cm colour e.g. 8x1 Mono = £396 + VAT 8x1 Colour = £400 + VAT

Box Nos: £18 + VAT extra

"Your Home in the Sun"

In picturesque Lanzarote Island a

beautiful 2 bedroom, 2

bathroom penthouse

apartment on front line

English owned

complex. Expansive sea

views overlooking large

heated swimming-pool.

Close to banks,

restaurants & shops; 2

minutes walk to sea.

£70,000 (furnished).

For details call

010 3428 990928 (day)

or

0420 - 23506 (evening),

Ref: L/JW.

FOR FURTHER DETAILS CALL 0171 873 4935 FAX 0171 873 3098 if you have a property you wish to promote in this special worldwide supplement complete the coupon and send to: Soeya MacGregor, Residential Property Advertising, Financial Times, One Southwark Bridge, London SE1 9HL

I would like: ☐ LINEAGE ☐ DISPLAY ☐ DISPLAY + COLOUR PHOTO ☐ DISPLAY + MONO PHOTO

Please enclose your text and photo if appropriate or complete the following lineage form (with approx 30 characters per line).

..... £36

..... £48

..... £60

..... £72

Name:

Address:

Daytime Tel No:

Payment (Cheques to be made payable to the Financial Times)

☐ Cheque ☐ ACCESS ☐ VISA ☐ AMEX

Card Number:

Expiry Date:

Please debit my debit card with: £.....

Signature:

COPY DEADLINE: MONDAY MARCH

LONDON PROPERTY

Winkworth

LAUNCESTON PLACE W8.

One of the largest houses in this

quiet & sought after tree lined street.

Just south of

Kensington Gardens.

Master Bed, En Suite Bath.

Dressing Room/Study, 4 further

beds, 3 further Baths, Cloak.

Ki/Break, Dining Room, Dining

Room, Family Room.

Sitting Room, Conservatory.

Utility Room,

Garden, Roof Ter.

FH £1.3m

Tel: 0171 373 5052

ANGERMANN GOODMAN & LEVY

SOUTH KENSINGTON, SW7

Selection of furnished/unfurnished

2/3/4/5 bedroomed flats with

spacious recep. rooms, high ceiling

fired kit, bath.

Telephone for an appointment

071 409 7303

ASHWORTH ROAD, W9 A beautiful 4-

bedroom House located in the sought after

location in Maida Vale, with reception dining

room, large eat-in kitchen, west facing

garden, sold to lease, £250,000 - O.M.O.

Sales & Letting Pte Tel: 0171 2933335, Fax: 2935

BARBICAN & CITY February list of flats for

sale from £250,000. Mark Harris & Co City

Office 071 600 7000.

LONDON

RENTALS

KENSINGTON/CENTRAL LONDON Larger

selection of quality properties, £150 -

£1500pw. From 3 wks to 3 yrs. Good

Associates 071 792 0782, 10-7pm

COUNTRY PROPERTY

PRESTIGIOUS LOCATION

In South Wales, with Panoramic

SEA VIEWS

In VICTORIAN TOWNHOUSE OF PENARTH

Luxurious 3-3 Bedroom apartments

(approx 1600+ and 2000+) set in

landscaped gardens, overlooking the

sea, indoor swimming pool,

jacuzzi and steam room.

Comprising just eight units.

Prices from £225,000

Details from John Olney & Partners

Tel: 01222 705421 Fax 706266

barnard

marcus

PORTMAN SQUARE W1

Studio flat, Lower Grd Floor.

Refurbished P/B Block.

24 hour porter, Lease 66 Years

£79,500

Tel: 0171 636 2736

Fax: 0171 436 2649

barnard

marcus

BARBICAN & CITY

Selection of City flats for sale

call for list and brochure

Tel: 0171 636 2736 Fax: 0171 436 2649

barnard

marcus

BARBICAN EC2

Penthouse duplex flat.

6th/7th floors. Currently 4 beds.

(needs re-arranging) £150,000

Tel: 0171 636 2736 Fax: 0171 436 2649

BUYING FOR INVESTMENT? We identify

the best opportunities for you throughout

central London and also in the city of

Cambridge. We provide a complete

package service: Acquisition, Finance,

Furnishing, Letting and Management.

Telephone Malcolm Walton International on

071 483 4281 or Fax 071 483 4318

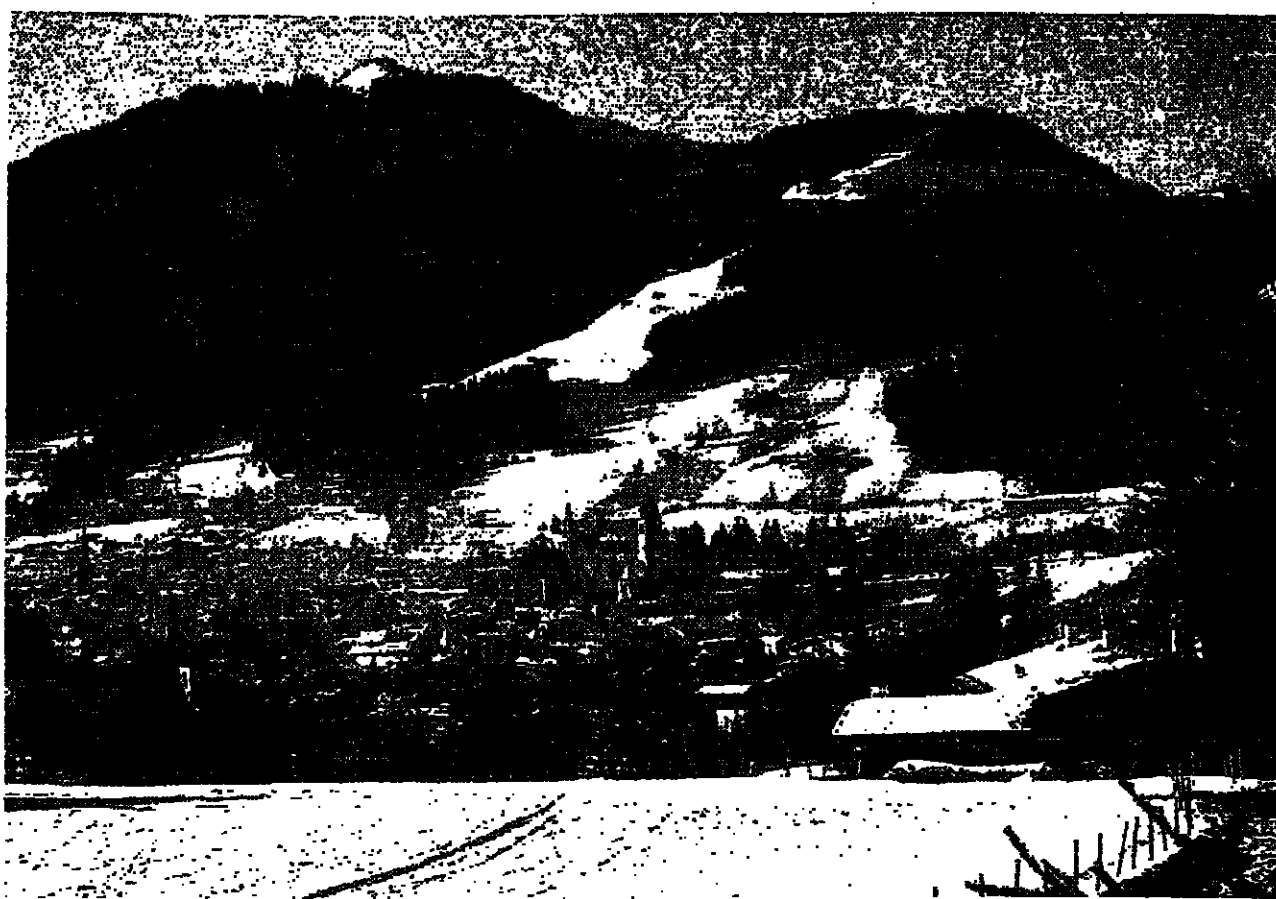
WARREN STREET, W1 3 Bedroom flat,

1st, 2nd, 3rd floors, Leasehold £220,000

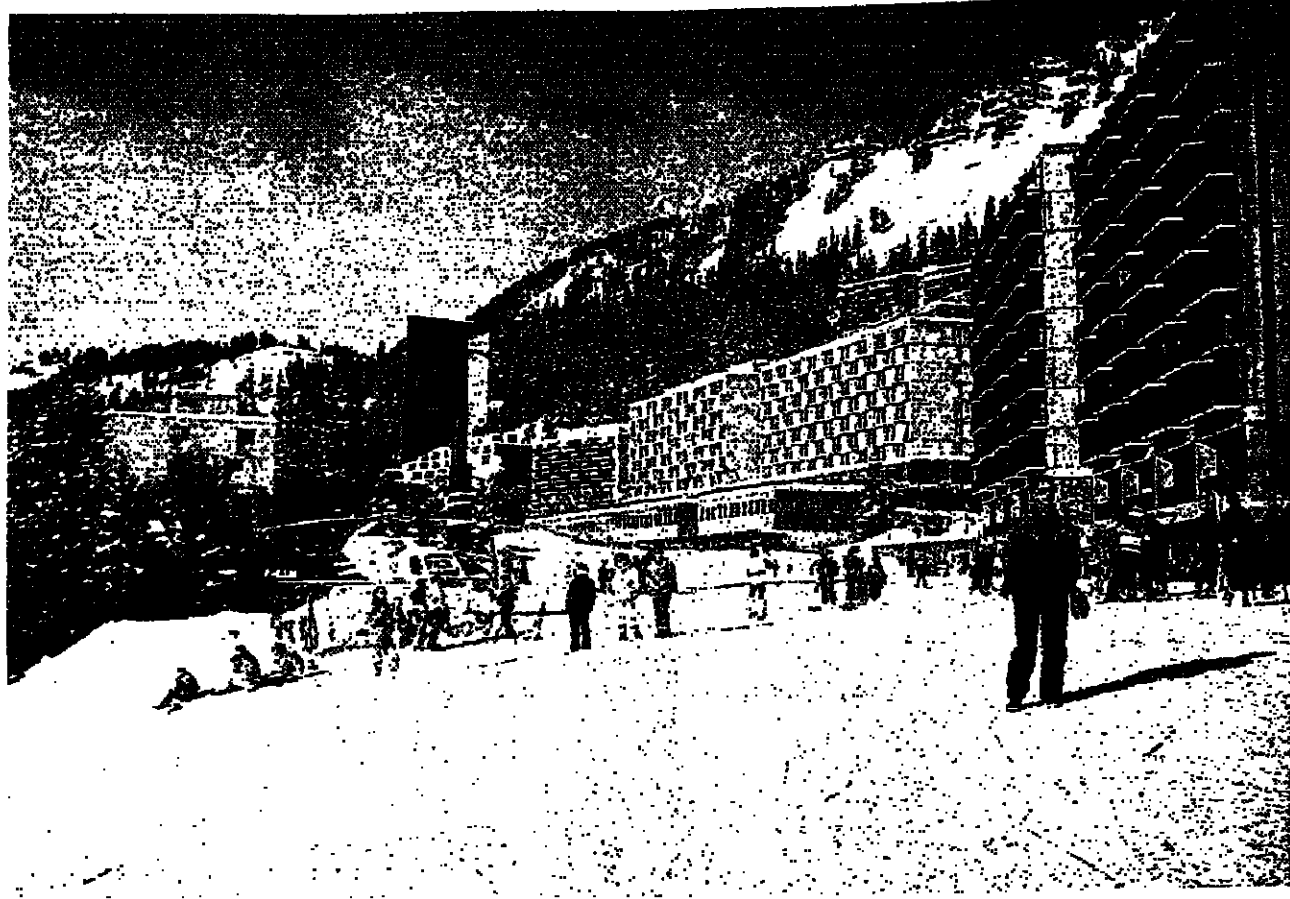
Barnard Marcus 0171 636 2736

RETIREMENT

SKIING



Old-world charm lingers on in Kitzbühel, a medieval walled town in Austria



Purpose-built Flaine, in France, may not be to everyone's taste in spite of the good skiing

In search of varied pleasures

Arnie Wilson looks at ski resorts in Europe which provide very different styles of holiday

The Alps. How much promise of splendour is concentrated in those two short words. But which particular Alp should one make for in search of a good skiing holiday?

Narrowing it down to a country is difficult enough. Fine tuning your choice to a single resort or area is even more daunting.

So what is your skiing desire? Stirling scenery, pulsating apres-ski in ski-out accommodation, tantalising cuisine, traditional rustic village ambience, high-altitude slopes with guaranteed snow? Sadly, it is difficult to find all of these in one resort.

Conversely, are there things you dread on a skiing holiday, apart from the obvious ones such as crowded slopes, oversized ski classes and pushy skiers who jump lift queues or grind the backs of your brand new skis into the ice?

Perhaps you are put off by the thought of the enforced camaraderie of a chalet full of strangers or noisy discos, amorous ski instructors, ugly, pur-

pose-built ski resorts, *schuhplatten* or other rustic forms of Austrian *gemütlichkeit* – or perhaps just plain yodelling?

All these things can be avoided with care but in the end it has to be a case of *chacun à son goût*.

The Swiss Alps were, for the Edwardians, the ultimate holiday location, whether to climb, toboggan, walk, convalesce or just sight-see – but rarely, by those days, to ski.

By and large, the Edwardians would still like it. Time has passed many Swiss resorts by and although there may be outbreaks of yodelling, it will not be on an Austrian scale.

There are few examples of monstrous, concrete architecture. Sir Arnold Lunn might still be moved to write such thoughts as this: "We crouched

down, the wind sang its last song... the breeze died away, four rapid swings and four breathless ski-runners faced the slope whose swift joys they had squandered all too soon."

Andrew Irvine, enchanted by a skiing holiday in Murren before disappearing on Everest shortly afterwards, might still be able to tell his friends: "When I am an old man, I will look back on Christmas 1923 as the day when, to all intents and purposes, I was born. I don't think anyone has lived until they have been on skis."

More than 70 years later, places such as Wengen, Grindelwald and Murren (neighbours above the Lauterbrunnen Valley near Interlaken in the Bernese Oberland), and Saas-Fee (perched high in a remote corner), or Valais (near the Italian border) have

scarcely changed. That is their delight. If you wish to visit a more modern Switzerland, there is Verbier, a sea of sun-drenched chalets that sprang up in the 1950s, and Zermatt, still charming in spite of growing into a small Alpine town, and Davos, the bustling town just up and over from the more genteel Klosters.

Austria too has similar choices. The old world lingers on in the picturesque medieval walled town of Kitzbühel and Lech dates back to the 14th century. There are any number of quintessentially Austrian villages, such as Alpbach, Garmisch, Westendorf and Filzmoos, which have changed little over the years.

Modern Austria – though skilfully disguised with neo-rustic architecture – can be

found in Saalbach, which, with its older neighbour Hinterglemm, is one of Austria's great intermediate playgrounds.

Even St Anton, Austria's top resort, clings on to its history. Kirchberg, traditionally Kitzbühel's main satellite resort, has grown new with less grace.

According to the *Where To Ski* book: "Anyone expecting a quiet, rustic little haven from which to ski Kitzbühel will be sadly disappointed. It suffers the same traffic congestion and inconvenient layout of its famous neighbour without its compensating medieval town centre."

Time may have stood relatively still in many Austrian and Swiss villages, but the same cannot be said for France, where a whole galaxy of big, automated and archite-

cturally challenging resorts suddenly sprouted in the 1960s. If some mountains gradually acquired skiers, most of those in the French Alps had them thrust upon them. Few skiers love these purpose-built resorts.

Flaine (the *Good Skiing Guide* refers to its "architectural style of depressing, unfinished, grey concrete to rival London's South Bank"); Avoriaz; Tignes; Les Arcs; La Plagne; Les Menuires; Val Thorens.

Great skiing – shame about the architecture. But that is the price you pay for high-altitude skiing and ski-in ski-out convenience. But are they really that bad?

Flaine now has a pretty side – the Hameau chalet development; La Plagne has built two or three neo-rustic villages; Val Thorens has a sweet little

church; Courchevel 1850 has clad much of its concrete in wood. And I have always enjoyed the space-age feel of Avoriaz.

Perhaps the problem is this: if anything but a traditional Austrian village complete with onion-domed church offends you, then you are never going to feel at home in Tignes.

You might, however, feel happy in Courmayeur or Cortina. After many years in the doldrums, Italy was flavour of the year in 1994, and is selling strongly again this winter, helped by the weak lira.

Italy certainly has a lot going for it, especially good food and plentiful sunshine. Cortina and its neighbours Selva, Arabba, Corvara and Colfosco are Dolomites, not Alps, but these mountains, with their towering, pink-hued

limestone monoliths are just as beautiful. One simple way to sample a variety of skiing ambience is to be bold and take your car to an area which encompasses resorts of more than one country.

From Chamonix in France, for example, it is easy to access Courmayeur (Italy), Verbier (Switzerland) and Flaine.

As for being "snow-sure" you can rarely be sure about that at the beginning of the season. This winter's early famine was followed by feast.

But guess which year this was: "The season was far from good as there was a marked shortage of snow after February 3. In fact the last days of January saw a downpour of rain that must be almost without equal."

Skis were stored away, and even the most zealous skiers were to be found seated in the local bars, arguing morosely as to the comparative merits of the umbrellas borrowed by them from the concierges of their respective hotels.

It was the winter of 1935. Plus ça change...

HOLIDAYS & TRAVEL

HOTELS

Chase Away Those Winter Blues.

The Regent London Winter Break
\$179 Per Room, Per Night
Any Day Of The Week

You don't have to escape to the tropics to beat the winter blues this year. When the weather turns cold and nasty, you'll receive the warmest of welcomes at The Regent London. Start with a relaxing drink beneath the palm trees in our magnificent eight-story glass topped atrium. Followed by a leisurely dip in our pool. (Don't worry it's indoors and the temperature is kept at a constant 85 degrees.) A long relaxing massage and sauna. Then a romantic dinner. And to finish: Do it all again.



The Regent London Winter Break is a two night minimum stay which is subject to availability. Offer is valid between 15th January 1995 and 28th March 1995. The price shown on brochure is for two adults and two children, per room, per night, based on a double room, and includes breakfast, VAT and service charges.

For full information and reservations, call 0171 631 8000. The Regent London, 222, Manchester Road, London NW1 9JQ.

the Regent LONDON
A FOUR SEASONS • REGENT HOTEL
A Spectacularly Different Five Star Hotel

flatotel international
appartements-hôtel
In the very centre of Paris
A short walk from the Eiffel Tower
Studio 1, 2, 3 bedroom apartments, 5 room penthouse with panoramic view. Fully furnished apartments with kitchen, the best family system for holidays and short breaks.
Airports and Euro Disney Transfers.
Your apartment is waiting for you.
Call now 33.1.45.75.62.30
or fax 33.1.45.79.73.30
FLATOTEL INTERNATIONAL
14 rue des Théâtres 75015 Paris
also in New York - Brussels - Costa del Sol - French Riviera

THAILAND

THE REAL THAILAND
River Cruise • Ancient Cities
Hilltribes • Rainforest

An unusual tour which avoids the usual tourist traps and lets you experience the real Thailand. Highlights include a river trip on a luxury converted rice barge, three days exploring the hilltribes in the north including an overnight stay in our Lahu Village guest house and an extraordinary trip into the rainforest of Southern Thailand. For this and other unusual holidays in Thailand and the Far East please telephone or write quoting reference FT2402 for a copy of our 112 page brochure.

WE KNOW ASIA BEST
ASIAWORLD TRAVEL
230 Station Road
Addlestone, Surrey
KT15 2PH
Tel: 01932-820050

THE TAILOR-MADE HOLIDAY SPECIALIST

SALMON FISHING

FLY FISHING -
CORPORATE OR PRIVATE LETS
Lower River Beaulieu - 20 minutes from Lymington. Autumn weeks available with Lodge. Half weeks also available. 5-10 rods. Ideal for corporate or private use. From £3,250 + VAT inclusive.
TEL: 0194 882 0393 FAX: 0194 882 0264

NAMIBIA

NAMIBIA
Majestic deserts, Bushmen relics, the proud Oryx. Visit Africa's Gem.

NAMIB EXPLORER
8 nights from **£1315**
Depart Harare on Air Namibia.
Brochure Conditions apply. See your travel agent or CALL 081-748 5050

HAYES and JARVIS
ATOL 1205 CHARTER LIMITED 0800 5007

GERMANY

GERMANY
Daily low cost flights, 0181 429 2900, Visa Access, German Travel Centre, ABTA 90685, ATOL 2977 IATA.

VILLAS

The Blue Book
Palmer and Parker
Villa Holidays 1995

Algarve
Marbella
France
Jamaica
Barbados
St Lucia

01494 812062

MARSELLA/PUERTO BANUS Sun & Golf
5 Star Resort, 3 pools, 1 heated, tennis, gym, discounted green fees, air con, sat. TV, 2 bed gites (sleeps 4). From £160 per night 925557

PORT FARMHOUSE, VILLA
all perched on beautiful rugged Monte Agrotorio, 80 mins. north of Rome. Tel: 0151 904 5555 Fax: 0181 747 8343.

CARRIBEAN

LUXURY VILLAS to rent throughout the Caribbean Islands, Inc. St. Barts, St. John, Virgin Islands, Barbados, Jamaica, Montserrat. All with pools, all staffed Caribbean 071 722 0722

FINANCIAL TIMES
While you can't take the villa with you, you can take the holiday. See our brochure for details of our villas and the services we offer. Contact us now for a brochure and to book your holiday.

Men of the mountain

Patrick Harverson gets down to work with Aspen's patrollers

It is a late afternoon in January, and the ski patrol is contemplating the snow-covered Aspen mountain.

The 30 members of Aspen's patrol have gathered for the end-of-day meeting in their hut at the top of the 11,300ft mountain. With its log fire, frayed sofas, wooden picnic tables, eccentrically-stocked fridge and limitless supply of hot coffee, the patrol hut has the air of a college recreation room.

Only the array of rescue equipment strung across the walls, and the pin-up calendar from the Burt Company of Utah offering "a complete line of explosives and related supplies", is evidence of its occupants' true identities.

The afternoon meeting of the Aspen patrol is usually a simple affair – a quick round-up of the day's events, and a division of responsibilities for the final "sweep" of the slopes that ensures all the skiers are off the hill by 4.30pm.

But today, the sweep has to wait while the patrollers discuss whether to drop more explosive charges on a troublesome patch of snow above the Aztec trail on the west side of Aspen mountain.

A chief task of the patrol is managing avalanche risks in the ski area, and this often takes the form of using dynamite to dislodge unstable slabs of snow from the slopes.

Today, the patrollers are concerned that the snowpack above Aztec, which has recently been supplemented by man-made snow, might slide down on to skiers below.

Because of those concerns, the trail has been closed to skiers for several days. After a lively debate, Jeff Aldrich, the ski patrol's director, makes a quick decision: "Let's try another bomb on the sucker."

An hour later, with the slopes empty of skiers and the sun beginning a spectacular descent behind the mountains, I join two patrollers, Dan Roman and Doug Driskoll, as they set off eagerly for the western slopes of Aspen.

Although avalanche control work is taken very seriously, patrollers cannot disguise their enthusiasm for "bombing the mountain", as they put it. Like many people, they get a kick out of making a lot of noise, and a couple of pounds of dynamite makes a big bang when exploded above the Roaring Fork Valley, where the bombs are loud enough to set off the car alarms of Range



An Aspen's old patroller's life is not 'Baywatch on Bumps'

Rovers parked at the foot of Aspen's slopes.

When we arrive above Aztec, the patrollers quickly get down to work. Dan takes two 20-sticks of explosives and tapes them to a bamboo pole. He passes the pole to Doug, who slides it carefully down the steep slope.

Carefully selecting his spot, Doug jams the bamboo bomb into the snow and lights the fuse. Before hurriedly skiing off into the trees, he shouts "fire in the hole" – the patrollers' warning that the bomb is ready to blow.

Ninety seconds later there is a loud report, a spray of snow, a percussive thump from the explosion's shock waves, and finally the echo of the blast as it ripples across the valley.

When the dust has settled, we survey the scene. There is only a dark smudge on the slope to show for the patrollers' handiwork, and Doug – who heads the patrol's avalanche control team – decides that the snow pack is stable enough because the bomb did not set off a slide. The trail will soon be open to skiers.

Talk to almost any patroller in Aspen, and they will say that dynamiting the mountain is one of the more exciting elements of their job, along with rescuing people stranded in chairlifts (a reassuringly rare occurrence). The excitement is welcome, for contrary to what some skiers might believe, an Aspen ski patroller's life is not a particularly glamorous one –

fall, and although it does not appear to be a serious injury, the patrollers take no chances.

Eric and two colleagues help the woman into a toboggan stretcher as her husband, a large mustachioed Texan, grumbles about the prospect of paying hefty medical bills.

To the Texan's relief, he is told that he does not have to pay for the patrol's assistance on the slopes – only for his wife's ambulance trip to the hospital for a check-up. But, if he is as considerate as some of Aspen's skiers, he might send a small gift or cash tip to the patrollers who aided his wife.

The practice of tipping the patrol is quite common in Aspen. On one of the mornings that I spent with the patrol, a large box was delivered to the hut. The box contained a leather sports coat, a smart denim jacket, a couple of shirts, a fancy watch, a scarf, a baseball cap, several T-shirts, and a handsome white duffel bag, all stamped with the logo and characters of Warner Brothers Entertainment.

The gifts were from a top executive at Warner Bros who had been hurt in a fight in the queue for the gondola at the base of Aspen mountain a few weeks before. One of the patrollers had broken up the melee and tended the victim's wounds.

His reward: a bagful of clothes emblazoned with pictures of Bugs Bunny. Money would have been more welcome, and one patroller jokingly suggested that they set up a stall outside the hut and sell the merchandise under the sign: "Patrollers need new skis."


Gifts and other forms of tips, however, are gratefully received by the patrollers. This is not just because it is recognition of their work, but because anything that supplements their modest income is welcome. Earning, on average, little more than \$400 for a 40-hour week, ski patrollers are clearly not in it for the money.

The rewards, they say, come in other forms: the opportunity to help people in distress, the excitement of handling emergencies in a tough outdoor environment, the camaraderie of working in a close-knit team, and, not least, the chance to spend a good part of every winter day on skis.


Oh yes, they also enjoy – every now and then – the opportunity to bomb the mountain.

Country Calendar

SHORT BREAKS OF DISTINCTION



Tynley Hall
Rotherwick, Nr Hook, Hampshire, RG27 9AZ, Tel: (01256) 764881 Fax: (01256) 768141



Ashdown Park Hotel
Wych Cross, Nr East Grinstead, East Sussex, RH18 5JR Tel: (01342) 824988 Fax: (01342) 826206

Throughout the year these two magnificent country house hotels will be offering short break specialist weekends with a wide range of fascinating subjects, such as opera, gardens, antiques, wine and gourmet.

For more detailed information, please telephone the hotels direct.

Until 30th April 1995, subject to availability, you can enjoy the luxury of Tynley Hall or Ashdown Park Hotel for just £76 per person per night sharing a deluxe room, including full English breakfast, table d'hôte dinner, service and VAT.

Highbullen

Country House Hotel, Chittlehamholt, North Devon

* Secluded Yet Marvellous Views.
* Highly Rated Restaurant * 40 en-suite rooms

In all the impartial Hotel Guides * 4 Crowns Highly Commended

Jan-March - Any 3 nights from £112.50-£165.00 per person including dinner, breakfast, service, vat and

UNLIMITED FREE GOLF

OVER 10 MILES OF SALMON & SEA TROUT FISHING

Indoor & outdoor heated pools, outdoor & INDOOR tennis.
Squash, croquet, billiards, sauna, steam room, sunbed, spa bath, indoor putting, nine-hole par thirty-one golf course (resident professional). Executive conferences max 20.

Children over 8.

RIVERSIDE LODGE 4 ensuite bedrooms
85 acre semi-ancient woodland.

Telephone 01769 540561

SPOIL HER

With a Special Weekend Break at our luxury AA *** RAC Country House Hotel nestled in 11 acres of gardens & woodland amidst North Devon's rolling countryside. £99.00 PP, D&B inclusive. Friday to Sunday lunch. Or even better a Midweek at £44.95 Per Day (2 nights or more). Beautiful en suite bedrooms. Fabulous food (also vegetarian menu). Log fires. Warm & relaxing. Pets Welcome. No Children. Also Serviced Cottage Suites. All RED ROSETTE RESTAURANT AWARD RAC COMFORT AND HOSPITALITY AWARD

PENHAVEN COUNTRY HOUSE
Penhryn, Nr Croydon, Surrey GU27 3PL
Telephone: 01257 151711

The Blakeney Hotel

AA *** RAC ETP *****
Blakeney, Nr Holt, Norfolk NR25 7NE

Traditional, privately owned, friendly hotel overlooking National Trust Harbour.

60 bedrooms all en-suite with colour TV & phone. Heated indoor pool, spa bath, sauna & mini-gym. Comfortable lounge, cocktail bar & garden. Visit to relax, sail, walk, beach, play golf & view historic places in Southhampton, the Norfolk villages, countryside & coast.

* Midweek & Weekend Breaks
* Special 4 & 7 Day Holidays

Brochure: 01263 740797

the Essential Hotel guide

For details of advertising in the next Essential Hotel Guide
On 25th March 1995
Please telephone Robert Hunt: 071 873 4418

THE AA GIVES IT THREE RED STARS

What wouldn't you give for a sub-tropical island without cars or crowds? For white beaches and gardens full of exotic plants? For a gourmet hotel with tennis court and heated pool? All without leaving the country? Tel 01720-422883, Fax 01720-423008.

ISLAND HOTEL, TRESKO, ISLES OF SCILLY TR24 0PU

BRIDGE THE WEEKEND

relax by the riverside

Three unique hotels twixt Thames and Tweed

Rates from £49.50 per person per night to include Accommodation, a superb Dinner, morning Newspaper and full Breakfast. Applies on Fridays, Saturdays & Sundays.

Windsor on Thames by Eton Bridge
Sir Christopher Wren's House

Sunning on Thames by Sunning Bridge
The Great House

Berwick Upon Tweed with three famous Bridges
The Kings Arms

Full information from Julie Ras at Central Reservations Office
Telephone: 01734 582277 Fax: 01734 441286

A LUXURY EASTER BREAK

Danesfield House, set in 65 acres of grounds is one of Britain's finest Country House Hotels.

This Easter we are offering a fully inclusive three night package for those wishing to relax in complete luxury.

For our brochure telephone 01628 891010

Danesfield House
Medmenham, Marlow, Buckinghamshire SL7 2BY

SUMMER IS COMING AT
St. Brides Hotel
SAUNDERSFOOT
Pembrokeshire

AA *** RAC ETP *****
4 CROWN BRIDGE COMMENDED

In the Pembrokeshire Coast National Park.
All bedrooms en-suite. Elegant suites.
Restaurant features locally caught seafood.
Car Park for 70 cars.

SPECIAL COUNTESS HOLIDAY offer of £55 off weekly tariffs
Write or phone for brochure
01834 812304

WILLET HOTEL

32 Sloane Gardens
London SW1W 8DJ
Telephone: 071-824 8415
Fax: 071-730 4830
Telex: 928678

Small character town house, off Sloane Square.

All modern facilities.
Full English breakfast inclusive of very modest rates.

Lythe Hill Hotel

Easter Weekend Break April 14 to 17

* Join us for a Hot Cross Bun tea on Friday afternoon, Easter Egg hunt on Easter Day, a walk to the RSPB reserve and close up magiclan above.

* Friday, Saturday and Sunday evening dinner, breakfast on Saturday, Sunday and Monday three nights accommodation, only £178.00 per person.

* AA and RAC Four Star Hotel

* Eggs Ready 7/15

* RAC Menu events for Food, Hospitality and Comfort

* AA Two Restaurants for cuisine.

* RAC Restaurant Award 1991 1992 1993 1994

* Lythe Hill - a country hotel less than an hour from London.

PLEASE CALL FOR MORE DETAILS AND OUR EASTER BROCHURE
01428 651251 Lythe Hill Hotel, Fawcett Road, Eastbourne, Surrey GU27 3BQ

SELSDON PARK HOTEL

13

- 22 CONFERENCE AND SYNDICATE ROOMS
- CORPORATE LEISURE AND INCENTIVES
- TENNIS, SNOOKER, SWIMMING, SQUASH
- 18 HOLE GOLF COURSE
- LEISURE CLUB
- "THE HUNTING LODGE" AT SELSDON PARK
- 13 MILES SOUTH OF LONDON
- 10 MINS M25 JAL, 25 MINS LONDON GATWICK

More than just an hotel...

SANDERSTAD - SOUTH CHYDOL - ST BERY CR2 RYA • TELEPHONE: 0181 657 8811 • FAX: 0181 651 6171

The Clifton Hotel

10 AA *** RAC
FOLKSTONE'S PREMIER HOTEL

Elegant Regency-style cliff top hotel. 80 bedrooms en-suite, satellite TV, welcome tray, telephone, Solarium.

CLIFTON WEEKEND BREAKS
2 nights £55.00 pp - 2 nights £68.00 pp
3 nights £88.00 (must include a Sunday)
£125 pp including VAT

EASTER FESTIVITIES
3 nights Dinner £65 £100 pp
includes Traditional Sunday Lunch, Afternoon Tea & an Easter Egg!

Resident Planes
Telephone: (01303) 851231

Suffolk Heritage Coast

ETP ***** Highly Commended

Wood Hall Hotel & Country Club
Suffolk, Woodbridge, Suffolk IP12 3EP

Come and enjoy the ambience that only a Listed Historic 16th Century Elizabethan Manor House can provide. Set in 10 idyllic acres in a designated area of outstanding natural beauty with rolling real log fires, candlelit dining, luxurious accommodation and much much more. The picturesque riverside town of Woodbridge provides the ideal base to explore the beautiful villages and hamlets of unspoiled Suffolk.

"Where the Countryside meets the Sea"

TWO NIGHT SPRING BREAKS FROM £45 PPIN, DEAR
Special offer, stay 5 nights only pay for 4, Sun-Thurs £295 pp.

Tel: 01394 411253 Fax: 01394 416007

LONDON IN STYLE

At This Superb Town House Hotel

CORPORATE ROOM RATES FROM JUST £55 FULLY INCLUSIVE WITH COMPLIMENTARY CHAMPAGNE WELCOME OFFER

- Overlooking Hyde Park
- 55 Personalised Rooms
- Deluxe Rooms & Suites
- Private Car Park
- Restaurant & Bar
- 24 Hour Room Service

LONDON ELIZABETH HOTEL
Lancaster Terrace, Hyde Park, London W2 3PF
Tel: 071-481 6641 Fax: 071-234 8988

Buxted Park

16 COUNTRY HOUSE HOTEL

Magnificent Georgian Mansion full of warmth and character set in hundreds of acres of beautiful parkland.

SPECIAL EASTER BREAK
14 April - 3 night DEAR
£225 per person

inclusive of VAT
and use of our health club

PLEASE PHONE FOR BROCHURE
Buxted, Uckfield, East Sussex
01825 732711

Blagdon Manor Country Hotel

Blagdon, Devon EX21 5DE
Tel: 01409 211224 Fax: 01409 211654

Relax in our 17th Century Manor House nestled in eight acres with superb views of rural Devon. Dinner party atmosphere, fine wine and exquisite food. Enjoy the pleasures of the English countryside. Blagdon is just perfect for a Spring and Summer break.

Escape to the heart of the West Country

GET LOST

... As in Romantic Escape

In a luxury Connemara hideaway by the sea. An oasis of character, calm, charm, comfort and cuisine. Our own beach, blues, woods, mountains, 100 year old gardens, fishing, tennis, boats, riding stables, stud farm, turf fire. Pets welcome. Library and mini suites.

Golf locally - Spring/Summer breaks.

CASHEL HOUSE HOTEL
CONNEMARA, CO. GALWAY

Miles from anywhere but only 3 hours from London

Tel: 010-353-95-31001

FREE BROCHURE. FLY TO GALWAY.

THE HALKIN

Modern Italian Restaurant awarded Michelin Star

For more details
The Halkin Restaurant
Halkin Street, Belgravia,
London SW1X 7DJ
Tel: 0171-333 1234
Fax: 0171-333 1100

'HOTEL OF THE YEAR 1995'
- EGON RONAY

THE VERY BEST HOTEL

HOLIDAYS IN 1995

CV Travel, the original with company now brings you their Own World of Hotels. Independent night properties throughout the Midlands, East of England and South Coast. All hotels are fully licensed and offer the best of everything for your holiday.

Summer holidays, winter holidays, long stays and eight holiday packages to choose from.

For your DIFFERENT WORLD OF HOTELS BROCHURE call:
24hrs Brochure Line 01235 824391

Tel: 0121 551 6881
Tel: 0171 554 3229

THE PLOUGH AT CLAYFIELD

22

Clayfield, Oxfordshire OX18 2RS
AA *** RAC 3 Restaurant Award
Egon Ronay Recommended. The Adamson Guide.

Enjoy a two night scenic changeover break at this beautiful Elizabethan Manor with just 8 cosy ensuite bedrooms. 4 with jacuzzi. Award winning restaurant and renowned hospitality.

Sun - Thurs from £118.00
Double bed room
For person for two nights, dinner, bed & breakfast sharing

Tel: 01367 810222

BUDOCK VEAN GOLF & COUNTRY HOUSE HOTEL

19

The Cornwall of Devon de Maritz, demands, superb, exclusive. Enjoy the quiet dignity of this fine hotel set in 65 acres of spectacular parkland, on the banks of the Helford River, close to many National Trust properties and gardens. With Golf Course, Tennis Courts, indoor Swimming Pool and every amenity. Brochure from £45.00 p.p. per night, half-board.

Tel: 01326 250288

ELIZABETH HOTEL & APARTMENTS

20/20a

37 ECCLESTON SQUARE, VICTORIA, LONDON SW1V 1PB. Tel: 071-828 6812

Friendly, private hotel in ideal, central, quiet location overlooking magnificent gardens of stately residential square, close to Belgravia. Comfortable Singles from £36.00

Doubles/Twins from £58.00 and Family Rooms from £75.00 including

GOOD ENGLISH BREAKFAST & VAT
Also luxury 2 bedroom & studio apartments (call 3 months)

COLOUR BROCHURE AVAILABLE
Egon Ronay/RAC Recommended

The Nanny Brow Country House Hotel

23

The Nanny Brow Country House Hotel is set in 5 acres of peaceful gardens and woodlands and enjoys spectacular views across the Breckley Valley towards the Langham Hills.

Grow accustomed to the comfort and continental of gracious country house life. Relax in the comfortable drawing room, elegant lounge hall or garden room bar - there are log fires on chilly evenings. Much care has gone into creating individuality in every detail. Four superb bedrooms and the luxury garden wing suites. There is a spa bath and solarium and complimentary use of the local private leisure centre. Facilities for management meetings and conferences are available. Dogs accepted by prior arrangement.

Personally managed by the resident owners Michael and Carol Fletcher the hotel is recommended by most major guides for fine food and gourmet cuisine.

ETP Four Crown Highly Commended
AA *** Red Rosette *** RAC
Egon Ronay - Johnsons - Ashley Country - Michelin
Nanny Brow Hotel, Chappargate, Ambleside, Cumbria, LA22 9NF
Tel: 015394 32036 Fax: 015394 32469

ESSENTIAL HOTELS BROCHURE GUIDE

ORDER FORM

Please enter the appropriate number for the hotel brochures you would like to receive, enter your own name and address and then send or fax this coupon to the address shown. Replies must be received no later than 25 March 1995

| | | |
|------|-----------------------------------|--------------------------|
| 1. | Ashdown Park & Tynley Hall Hotels | <input type="checkbox"/> |
| 2. | Highbullen | <input type="checkbox"/> |
| 3. | Penhaven Country House | <input type="checkbox"/> |
| 4. | Island Hotel | <input type="checkbox"/> |
| 5. | The Blakeney Hotel | <input type="checkbox"/> |
| 6. | Greenstar Hotels | <input type="checkbox"/> |
| 7. | Danesfield House | <input type="checkbox"/> |
| 8. | Willet Hotel | <input type="checkbox"/> |
| 9. | Lythe Hill Hotel | <input type="checkbox"/> |
| 10. | Clifton Hotel | <input type="checkbox"/> |
| 11. | Wood Hall Hotel | <input type="checkbox"/> |
| 12. | St. Brides Hotel | <input type="checkbox"/> |
| 13. | Selsdon Park | <input type="checkbox"/> |
| 14. | London Elizabeth | <input type="checkbox"/> |
| 15. | The Halkin | <input type="checkbox"/> |
| 16. | Buxted Park | <input type="checkbox"/> |
| 17. | Blagdon Manor | <input type="checkbox"/> |
| 18. | Cashel House Hotel | <input type="checkbox"/> |
| 19. | Buddock Veian Hotel | <input type="checkbox"/> |
| 20. | Elizabeth Hotel | <input type="checkbox"/> |
| 20a. | Elizabeth Apartments | <input type="checkbox"/> |
| 21. | CV Travel | <input type="checkbox"/> |
| 22. | The Plough | <input type="checkbox"/> |
| 23. | Nanny Brow | <input type="checkbox"/> |

TITLE _____ INITIAL _____ SURNAME _____

ADDRESS _____

POSTCODE _____ DAYTIME TELEPHONE _____

WEEKEND FT ESSENTIAL HOTELS BROCHURE SERVICE

(Ref 4/95) Capacity House,
2-6 Rothsay Street, London SE1 4UD.
Fax No: 071 357 6065

The information you provide will be held by the Financial Times and may be used to keep you informed of FT products and by other selected companies for mailing list purposes. The FT is registered under the Data Protection Act 1984. Financial Times, Number One Southwark Bridge, London SE1 9HL. Please tick this box if you do not wish to receive any further information from the FT Group or companies approved by the FT Group. ☐

FASHION

Languish in style

Jane Mulvagh looks at clothes for long, cold evenings at home

February is not a time for going out. It is often cold and wet and invitations are thin on the ground. It is a time for the pleasures of the indoors, for rich colours and sumptuous fabrics. You will be amazed at how much a little effort, a little luxury, can lift the spirits.

February is a time to hibernate with your lover (or partner as we have to call him/her in these days of political correctness) or your family. Dress might be a beguiling and inexpensive Edwardian housecoat, or a chiffon dressing gown and palazzo pyjama pants.

Pictured here are a range of garments that are a million miles away from the sloppy tracksuits, the shell suit or the pair of jeans that many slouch around in. Yet they are affordable, timeless, alluring and hugely comfortable.

Considering that, in Britain at least, at least three hours of a winter's evening, between returning from work and retiring to bed, are spent relaxing at home and that you have probably a good few housebound evenings ahead of you before the weather warms up and days grow long, these clothes are a bargain.

For younger women - but only with good central heating - Knickerbox's chiffon range of short tie-waist dressing gown and palazzo pyjamas, knickers and camisole are a good buy. The gingham comes in apple green or burgundy and, as they take up no space in your luggage and do not need to be ironed, they would also be a perfect addition to your travelling wardrobe. The more demure might want to wear a body rather than the knickers and camisole set under the dressing gown.

Victorian and Edwardian women really did know how to dress at home; half their lives were spent reclining in a pelisse or housecoat. For wearing round the house they make much more sense than modern dressing gowns as they are tailored and buttoned so you do not have to keep heaving at the belt to keep it fastened.

Some are so smart that you can easily wear them for relaxed dinner parties, the perfect foil to his smoking jacket. The best hunting grounds for special antique pieces are the Charleville Gallery, Lunn's Antiques, Cornucopia, Virginia's Antiques, The Gallery of Antique Costume & Textiles, and Antiquarius, along with

the auction house sales. Prices vary enormously but you may be happily surprised at what quality and luxury you get for your money.

For a modern but equally beguiling collection look out for the Pazu label, set up 12 years ago by Pookie Biezard and a fellow textile student from Camberwell Art College. Pookie bought her partner out a year ago and runs the company on her own. She designs two collections a year featuring half a dozen new prints.

Most of her production is exported to Paris but Fenwick's, Space N K, Harvey Nichols and the Hambleton Gallery in Blandford Forum in Dorset regularly stock her designs. Her signature is a combination of textures creating a patchwork of diaphanous and opaque textiles printed with forms inspired by the natural world.

Not only does she dress in gowns and pyjamas but also shirts, waistcoats, sarong skirts and scarves, along with ties and braces for men. Prices start at £100 for a scarf to £300 for a dressing gown.

One final suggestion. Walking round the Topkapı Palace costume collection in Istanbul a few weeks ago I came across

the Sultan's idea of at-home wear; crème de menthe watered silk pyjamas lined in fawn cashmere. Perhaps a dressmaker could be commissioned to upholster you in similar style? So cast off the February blues: do not stay in and slob out, languish at home and dress up!

■ **Charleville Gallery**, 7 Charleville Road, London W14. Tel: 0171-385 3795 (open 10-6, Wed, Thurs, and Fri)

■ **Cornucopia**, 12 Upper Titchbrook Street, London SW1. Tel: 0171-828 3732

■ **Lunn Antiques**, 86 New Kings Road, SW6. Tel: 0171-736 4636

■ **Antiquarius**, Chend House, 181-183 Kings Road, SW3. Tel: 071-551 5353

■ **Virginia's Antiques**, 98 Portland Road, W11. Tel: 0171-727 9908

■ **The Gallery of Antique Costume & Textiles**, 2 Church Street, NW8. Tel: 0171-723 9981

■ **Photographs**: Jose Aragon. Styling: Jane Mulvagh. Make-up & Hair: John Gustafson.

■ **All furniture and settings** thanks to Christopher Rodsoll at 91, Pimlico Road, London SW1. Tel: 0171-730 3370.



Dusk-pink floral Edwardian housecoat, £160, from Cornucopia. Pink satin ballet shoes, £10 from Gamba



Yellow silk Edwardian housecoat, lined with silk and with silk-covered buttons, £120 from the Charleville Gallery

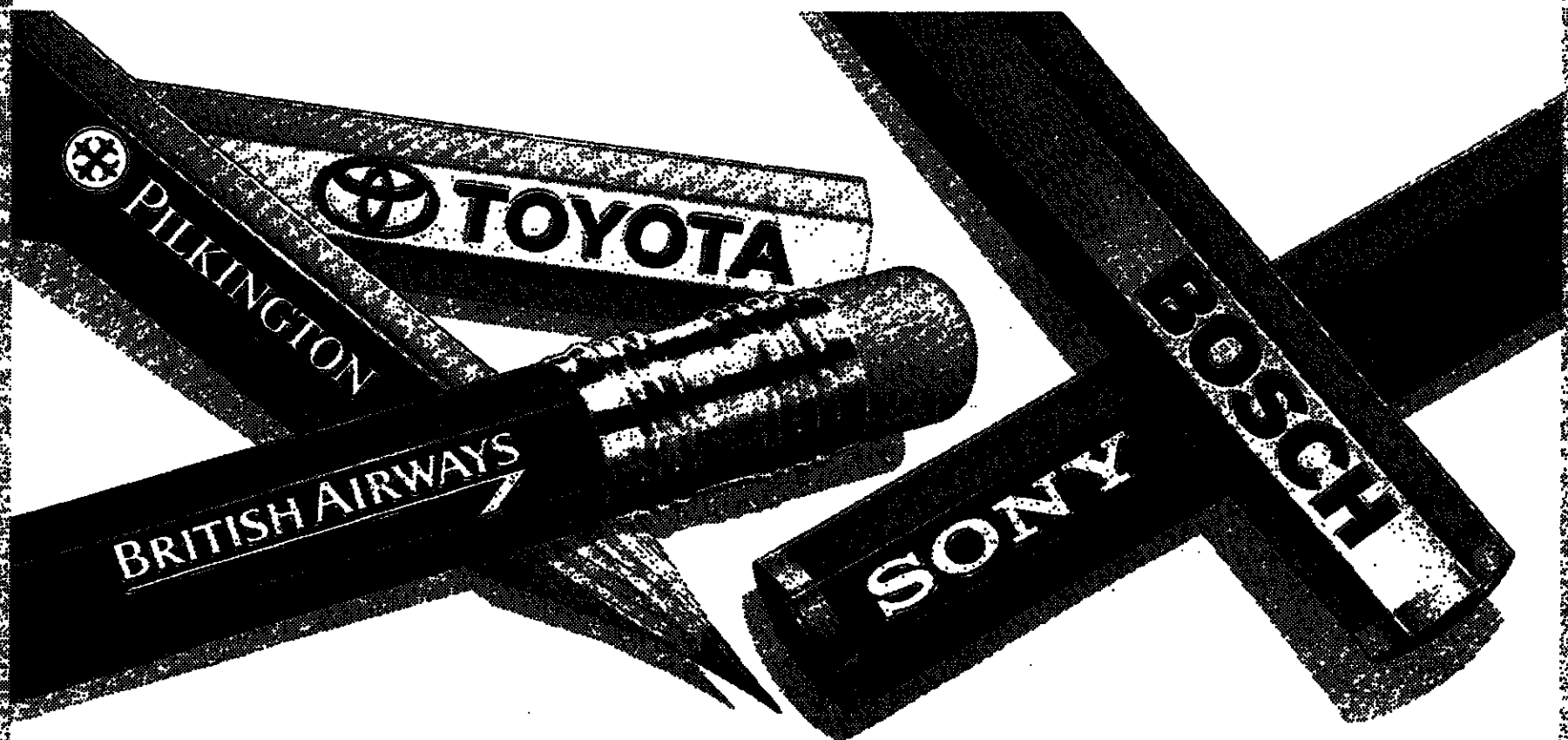


Green gingham chiton camisole, £12.95; pyjama pants £19.95; short dressing gown, £24.95, all from branches of Knickerbox. Pink satin ballet shoes £10 from Gamba. Velvet figure-of-eight hair band, Fortnum & Mason. Oatmeal cashmere cable-knit cushion from Tse. 1920s pink and gold lame fringed shawl, £185 from Charleville Gallery



Patrol patch overprint dressing gown, £360, palazzo pants, £177.00, from Fenwick's or Space NK or mail order (tel: 0161-978 8504) Oatmeal cashmere short-sleeved jumper, Tse White satin ballet shoes £10 from Gamba. All homeware by Wolford

SO MANY COMPANIES FIND WALES HAS SUCCESS WRITTEN ALL OVER IT.



The same thing seems to happen to companies who move to Wales.

They grow.

Multinationals like Sony, Pilkington, British Airways, Bosch, Toyota and a host of smaller companies are all now bigger companies.

It happens for a combination of reasons.

The development opportunities in Wales, the first class communications, the skilled, adaptable workforce, and the advice and assistance of the



THE WELSH ADVANTAGE

Welsh Development Agency.

Move to Wales and we'll do everything to help your company grow.

To find out how we can help your business grow in Wales, post or fax your business card to us on +44 1222 345615 at the International Division, Welsh Development Agency, Pearl House, Greyfriars Road, Cardiff, CF1 3XX, UK.

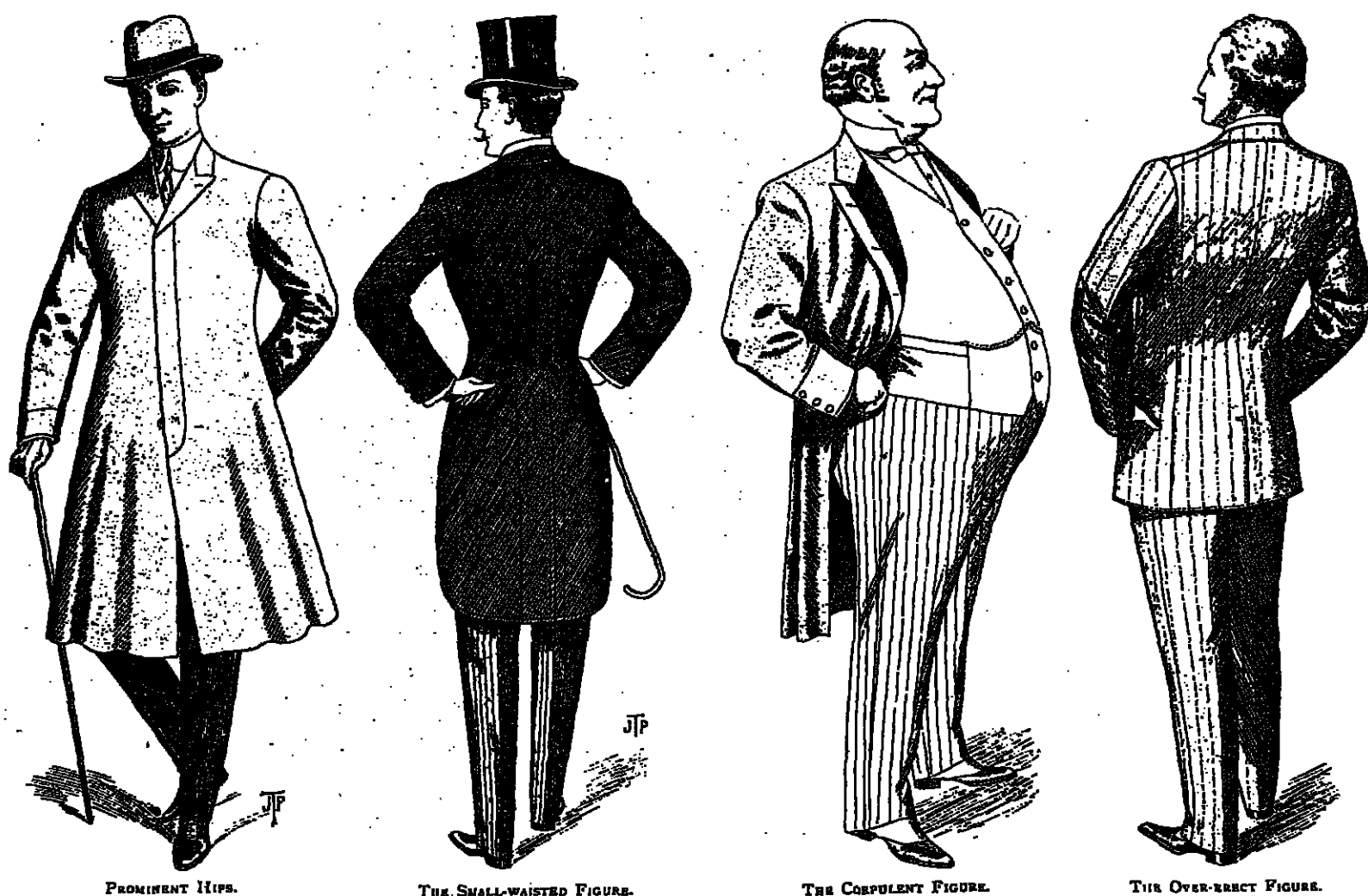
Alternatively you can telephone our Customer Services Team on +44 1222 828820.

صكنا من الامم

FASHION

Big boys with tall orders

John Morgan has some advice for men of disproportion when they go shopping



Prominent Hips.

The Small-Waisted Figure.

The Corpulent Figure.

Thin Over-Built Figure.

When I was 29 I gave up smoking and immediately began to put on a pound a month. After two years, I had metamorphosed from a youthful and lithe physique that could successfully wear most things, into a more porcine presence that was becoming difficult to dress. Mortified, I put myself on a diet and was soon back, well almost, to my previous shape. This period of my life taught me that, although for some men a change in eating habits is enough to restore a clothes-friendly body, there are many whose problems are more fundamental. These discrepancies might include being bigger than average, smaller than normal, or possessing unequal proportions such as a long torso and short limbs. For these men, any amount of dieting or devotion to the gym is going to have only a marginal effect on their appearance. Shopping can also

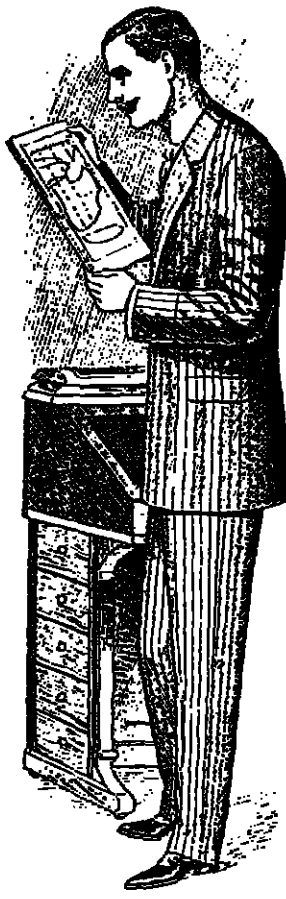
be grim. The choice is limited, and what does exist is often priced at a premium. "Big and tall men are particularly penalised because, whereas small males can have things cut down, the large cannot invent fabric that is not there," says Mary Noakes, of the Tall Person's Club, an organisation for the tall which produces a bi-monthly magazine called 6ft. However, as the average height of the population increases (around 12 per cent of the nation is thought to be over 6ft 2in), things are improving. Marks and Spencer is running a pilot scheme in 13 of its stores, offering regular stock in larger sizes, at no extra cost. There are suits ranging up to size 48, shirts up to size 18 and trousers up to 44in waist, including denim trousers with a 29in inside leg which are practically walking out of the stores. High & Mighty, the high street chain, for long the main player in the big market, is also claiming improved business.

Choosing clothes in the right size is only part of finding clothes that fit. The right proportion is also vital. Regardless of height, the sizes of men's limbs vary considerably in relation to their torsos. The most common combination is the long body and short arms and legs. If you fall into this category, do not choose a jacket that is too long. This is a difficult balance to strike because a long jacket is always a sign of quality and the rear must be adequately covered. Jackets with large shoulders are also best avoided, as they add bulk to the top half of the body. The same is true of low buttoning styles: these merely add to an over-long torso and reduce the leg-length still further. Adopt instead the fashionable English silhouette, which has a natural shoulder line, buttons high on the waist and was conceived to create an elegantly elongated line. Trousers should be cut from the natural waist to give maximum length to the legs and ought to have a fairly narrow cut as nothing looks more stunted than short legs in baggy pants. Pleats are a good idea as they create a more vertical line, while turn-ups shorten the legs with unnecessary horizontal lines and are best avoided. If the reverse - a short body with long limbs - applies, you have to build up the torso. You should choose well-shouldered, generous-lapelled long jackets. Trousers should not be too narrow, unless you have the sartorial ambitions of a spider. Deep turn-ups will also reduce any impression of ungainly infinity. Choose checks as they will give you a more solid and cubic impression.

It is the arrival from the US of Rochester Big & Tall, however, that signals a brave new world for the big boys. Here, the generously built will find shoes the size of garden marrows, jumbo-sized changing rooms and trousers for whom the description elephant-cord takes on a new dimension. "This is the first shop in Britain that offers a comprehensive range of clothes for big and tall men," says Michael Meldrum, director of European Operations, who can fit men with heights ranging from 6ft 2in to 7ft 6in and sizes 44 to a staggering 62.

The choice in the vast shop is as extensive as the sizing. It includes traditional English suits and accessories from Gieves & Hawkes, American classic tailoring by Perry Ellis, a range of softer Italian suits, an own-brand collection of suitings and sports-jackets, leather, suede, knitwear, as well as extensive lines of casual clothes, jeans and sportswear. The look is internationally classic. Although none of the fashionable designers offers anything on Rochester Big & Tall's proportions, some are worth a visit. Nichole Farhi has always been known for her generous sizing, and this season there are astrakhan coats, black single-breasted jackets up to size 46 and trousers up to 38in waist.

Ralph Lauren offers casual shirts and sweaters in XXL and formal shirts in size 17½. Whatever your style, if you are big or tall, the cardinal rule of shopping is always to make sure that a jacket does not ride up over the seat. Also, you can afford to wear a bigger cut in clothes: these give a more expensive impression than tight garments. Patterns need to be chosen carefully. Avoid anything too bold: a wide chalk stripe will make a 6ft 6in man look 7ft 6in, while bright colours can look positively alarming. This being said, tall men have greater options than their diminutive counterparts. If you are small, keep away from exaggerated styles unless you want to emphasise your own shortcomings. Wide-shouldered jackets and baggy trousers look especially comic. Opt instead for reasonably fitted clothes in solid colours. Suits are generally more flattering than separates. Leave busy patterns and heavily detailed outfits to others, and choose simple elongating fabrics such as a narrow pin-stripe. Avoid anything with horizontal stripes. Shorter men should never augment their height with shoes fitted with elevators or the built-up heels beloved of gigolos. When buying clothes try to buy in your own size, rather than assuming that they can be cut to fit. If you cannot resist something that needs extensive alterations, make sure there is a proper tailor at hand to advise and not just an enthusiastic shop assistant. Hackett offers an on-site tailor in its Sloane Street, south west London store, who can do difficult alterations such as shoulder reductions. Hackett's classic fitted silhouette and sizing starting at 36 make it ideal for the pint-sized traditional dresser. If your taste is more fashionable, try Jasper Conran and Kenzo. Intriguingly, both designers are small men so they understand the needs of others like themselves, particularly Kenzo, who has well-designed, four-buttoned, single-breasted suits and Nehru jackets in navy and grey.



The Shopping Figure.

Shirt sleeves must never be too short. Coles, Lewins and Thomas Pink offer a wide choice of styles in long-sleeved length. Always go for a French cuff, which will shorten your arms most stylishly. And what of other figure discrepancies? Men with sloping shoulders should avoid the unstructured look, which can make them look like tragic pears. The portly or corpulent (the word fat is never used) should go for as much sleek tailoring as nature allows and make sure their jackets button where their natural waist would be. Trousers must be cut for braces. Men with VPS (very prominent seats) should steer away from jackets with centre vents. Those with wide bottoms should make sure their trousers are cut with continental pleats (those that turn outwards) so that, when seated, there is room for expansion. Finally, there are two significant things to remember. Never buy clothes a size too small in the mistaken belief that they will make you look smaller. They will not. Second, no man, not even the most successful model, has the perfect physique. Even if yours is a little less perfect than most, there is still no reason why you cannot dress attractively, fashionably and, most important of all, confidently.

John Morgan is associate editor of GQ. Sketches from The International System of Garment Cutting by J.P. Thornton, which deals "with all forms of disproportion".

FOR BRIGHTNESS, VOLUME AND CONTRAST, SONY GOT A BETTER RECEPTION IN WALES.

Sony's business success in Wales over the last 20 years makes for some impressive viewing.

During this time their business has thrived, growing by a staggering six times.

More recently, Sony have manufactured the advanced Trinitron television range in Wales.

Helped in no small part by the highly skilled Welsh workforce, a large network of local suppliers and an abundance of quality sites.

Not to mention the advice and support of the Welsh Development Agency. The picture for Sony is looking bright in Wales.

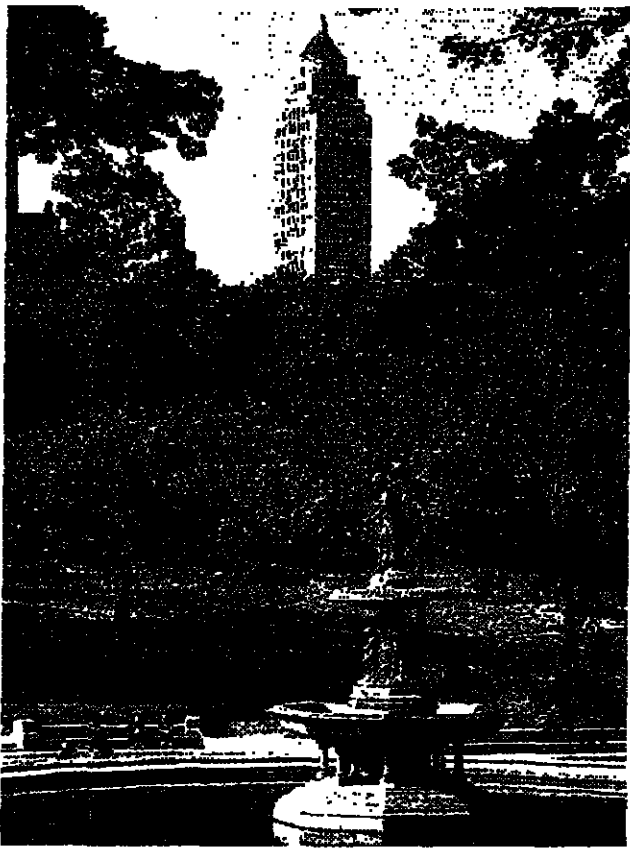
Find out how we can help your company in Wales by posting or faxing your business card to us on +44 1222 345615 at the International Division, Welsh Development Agency, Pearl House, Greyfriars Road, Cardiff, CF1 3XX. Or telephone our Customer Services Team on +44 1222 828820.



THE WELSH ADVANTAGE.

HOW TO SPEND IT

Polished, pampered and prettied in New York



For real pampering nothing beats a view of Central Park

Lucia van der Post grins her teeth, and submits to some serious grooming. It takes dedication, stamina and money. Is it worth it?

There are many reasons for going to New York and one of the best is to be pampered. Now I know that most of us can be pampered perfectly well at home - always providing we have the wherewithal (and, believe me, it takes wherewithal) - but New York does it differently. It does it lush, whackier, more variously and more wholeheartedly.

There is one other wonderful bonus about succumbing to the blandishments of the salon and the spa across the ocean - the lack of any need to feel apologetic about such frivolities. There is no hint that it is somehow intellectually *démodé*, or a sign of a lack of academic rigour, to look groomed even, dare we say, glamorous. In the US it is absolutely okay intellectually.

Self-indulgence is part of the American way of life, so relax and enjoy it.

You gotta start right, of course, and where better than by staying at The Carlyle (Madison Avenue at 76th Street. Tel: 0101-212-744-1800). Even for those of us who do not require the bellmen's legendary expertise in warding off the paparazzi, the sense of quiet discretion, understated class and privacy nevertheless cocoons one in a sense of *luxe*. It is here that the Princess of Wales stays when in town and where the grand and rich keep apartments on the upper floors. It is said of the head bellman that he knows exactly when "it's appropriate to introduce, say, two heads of state to each other in the hotel lobby" or "when to blend into the Ambusson rugs".

I long for the day when such tact will come in handy but in the meantime I arrive late on a

Sunday afternoon and decide to banish jet-lag with a massage. No need to dress up and go out: I pre-ordered the massage when I booked my room and here, right on cue, comes Deborah, red-haired, glowing with health and soothing as a cup of Horlicks. Natural oils, Swedish massage and a touch of reflexology work their charm. It may cost \$100 but it is as good a way of dealing with jet-lag as I have come across.

The Carlyle is still reassuringly traditional. It bows to 1990s habits with such things as fitness centres and personal trainers, but new-age hokum has yet to hit the pillow ritual; none of the beta-carotene antioxidant tablets favoured by the Nob Hill Lamourne Hotel in San Francisco - instead, nice traditional, fattening chocolates are on offer.

It is Monday morning and it is grey and drizzling and pampering is definitely what is needed. So off to Bergdorf Goodman (754 5th Avenue), one of my favourite stores, where I decide to drop in on The Frederic Fekkai beauty centre and go all out for drop-dead glamour.

First mistake: Frederic Fekkai, a New York legend (our lips are sealed on the subject of the famous locks he crimps), is out of town - no doubt tending to more important tresses. I get the lovely Philippe instead, which turns out to be just as well considering the cost. Frederic himself - book ahead at least six weeks if you want the great man - is \$390 a time, while Philippe, being a "hair designer" as opposed to a junior or senior stylist, is \$90. I settle cozily into the sumptuous black leather chairs. We agree the cut is good but the colour... um... "kinda dull"



Out, damned spot

(he manages to put this very politely). "Balayage is what you need," says Philippe. This beauty business is proving very taxing on the vocabulary but I suppose nobody ever said that glamour comes easy. Alas, Constance, queen of the balayage (or hair-painting), is booked for weeks - the upside is I'm \$135 better off but the downside is I'm left with this hair that is "kinda dull".

While Philippe blows and tints, Tatiana (Russian and beautiful) attends to the fingernails. As she files, massages and buffs away serious decisions, the sort that glamorous people tackle every day, have to be taken. Do I want a French manicure (\$25) or regular (\$21)? Do I want to go for bold, red and vampish, Marilyn Monroe-style shocking pink or pearly and ladylike? We settle for French and ladylike.

So far, I am only \$116 down so I decide to go for bust and take my newly-buffed nails and my un-balayaged hair down to Elaine Mack, the queen of personal shopping. She started out 18 years ago in the White Plains, New Jersey, branch of Bergdorf's ("Old Mr Goodman said to me - if you sell a dress then sell the jewellery, the gloves, the belt to go with it") and these days the business that she alone brings into the Manhattan store would keep a small store happy.



For a celebratory dinner it is hard to better the old-fashioned grandeur of the dining room in New York's Carlyle Hotel

This is state-of-the-art pampering. "When my customers run out of pantyhose they just call me and I send a selection over. If it's just a lipstick that they want or a perfume, I'm happy to do it for them," she says.

"What I am is a very good editor. I know what will be appropriate for your needs. I know the blouse on the third floor that will go beautifully with the suit on the sixth floor. Obviously, being one of the finest stores in New York, I have a lot of wealthy customers who think nothing of spending \$10,000 to \$15,000 a season, but then I do a suit for \$400 if that's what you are after. And I am happy to keep them up to date with what's going into the sales."

"The one thing I don't like is my women looking like clones - even if they want to buy an entire suit from Armani I help them make it their own suit from Armani."

I have never tried a personal shopper before - it seems, somehow, lazy and unadventurous - but I decide to go for it. "Okay, Miss Mack," I say, "I need a navy-blue trouser suit, easy, classy, just right for work - a sort of Jil Sander number, except I only want to pay \$400."

While I go on a quick troll through the store Miss Mack sets to. I return to the personal

shopping suite and find four suits on the rail: three are too masculine and heavy, the fourth, by Myrène de Frémonville, in plain navy blue, is too big and doesn't look right.

I tell the assistant that it won't do when Miss Mack shifts into action and shows her class. Out come the pins, up go the trouser legs, in goes the waist, up go the shoulders and, before I can turn round, the bill is prepared. I have my plastic out, and Miss Mack is promising to have it delivered to the hotel before I leave town.

By my standards I have had a pampered day but by New York standards I have been very unadventurous. There has been no lifestyle counselling, no colon therapy, no flotation tanks, no lymphatic drainage, no oriental coning (don't even ask), no reiki, let alone a facial or a demarassation.

A whole female culture surrounds the rite of making yourself beautiful. Tina and Anna, those twin icons of the New York media pack, are said to have hair stylists and make-up artists come to their apartments or offices to do their face twice a day.

Mothers introduce their daughters to the world of beauty. Women friends often arrive at salons in packs. "It makes," says a friend just back from a couple of years living in New York, "for great gossip. At Elizabeth Arden's Red Door, for instance, you get many of the upper echelons of the media set, all chattering away as they have their facials, their manicures and pedicures."

For \$200 the Red Door (691 5th Avenue) will give you four to five hours of treats - a body massage, a facial (in New York they send you out looking glamorous and ready to face the world, unlike in Britain where you leave red and make-up-less), shampoo, cut and blow-dry, manicure, pedicure, make-up and, of course, the ritual spa lunch.

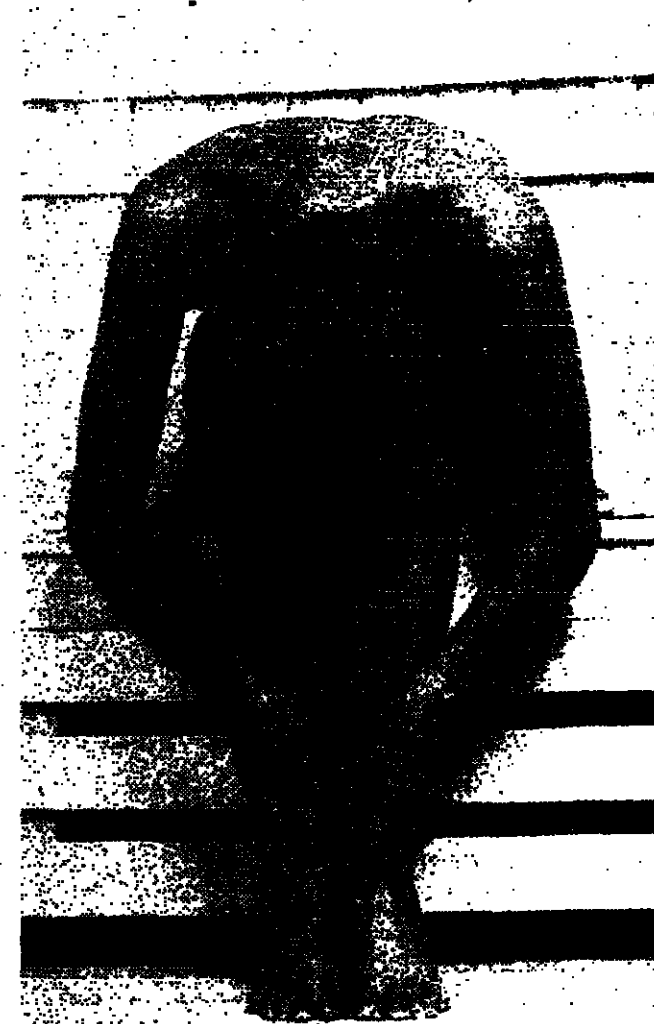
If you are in a hurry (but not too much, for it takes 2½ hours) there is the Executive Escape for \$110 - this allows you up for the big date or serious interview with a cut, shampoo, hair-cut and blow-dry, manicure and pedicure, and make-up.

Oribi is the big cheese of the hair salon here - marginally cheaper than Frederic Fekkai, at \$250 a time, you need to book him at least a month ahead.

So sought after is The Red

Door that you need to book at least a month ahead. Some people are so desperate for an appointment that they just turn up and sit there, hoping for a cancellation.

It is part of New York's urban mythology that it is harder to get married there than anywhere else in the world. Women over 35, it seems, have more chance of being run over than finding a mate (nobody has revealed to me the equivalent statistic for chaps). So, if you find the world of beauty salons too claustrophobically female, there is always another way to the body beautiful - the gym, the health club and the spa.



No-one ever said being glamorous was easy



Shall it be a French manicure or plain?

the 1990s equivalent of the *fin de siècle* *thé dansant*.

Far be it for me to suggest that *Financial Times* readers might be visiting New York with match-making in mind, but should you feel lonely the best solution (I'm told) is to drop into a health club. I was told of one chap who actually changed clubs in order to escape the chat-ups from leotard-clad glamour pussies on the next-door running machine.

I am indebted to the New York Times for the information that The Equinox Fitness Club at 344 Amsterdam Avenue (212-721-1100) offers a winning combination of new-age treat-

ments and matchless opportunities for bumping into members of the opposite - or in these PC days I suppose we must say also the same - sex. "Bodies," points out the New York Times, "are in plain view so there are no nasty surprises later on."

Those with less money to spend might like to know there are cheaper ways of looking good. For instance, on almost every block there is a Korean manicurist who for about \$7 will give you a good manicure in about 10 minutes flat - just make sure you ask for your nails to be rounded as they tend to do them rather square.



Own a piece of British history

HENRY VI Silver Groats



1422-1461

Over 540 Years Old

From the famous Reigate Hoard we offer silver Groats of King Henry VI, struck over 500 years ago. These coins are original and genuine and come with a certificate of authenticity. A facing portrait of Henry VI is on the obverse and a cross is on the reverse. These coins were buried in Reigate, Surrey around 1450, about the time of The War of the Roses.

They were actually struck in Calais when the English owned the city. Henry VI is best known for his founding of Eton and King's College Cambridge. These Silver Groats or Four Pennies are available in Fine condition for £59.50 or in Very Fine for only £99.50. Very Fine is quite outstanding condition, especially considering their age.

Own a piece of British history, a large silver coin from the famous Reigate Hoard of Henry VI Groats over 540 years old. With certificate of authenticity and information sheet, it makes a wonderful gift.

Prices include VAT, post/packing and insurance.

Coins shown larger than actual size.

Ancient & modern coins, banknotes, antiques from Britain and the World - Send for our illustrated catalogue. You will be delighted to return within 30 days for immediate refund. Allow up to 14 days for delivery. COINCRAFT, (Dept. FT250295) 145 Gt Russell St., London WC1O OPPOSITE THE BRITISH MUSEUM

ACCESS/AMEX/PHONE ORDERS 071 439 1133

To: COINCRAFT, 45 Great Russell St, London WC1O 3LU

Please send me quantity _____ Henry VI Silver Groat-
Fine condition £59.50 each
Henry VI Silver Groat-
Very Fine £99.50 each

I enclose Cheque/P.O. for £ _____ made payable to COINCRAFT
or my Access/Visa/Amex No. is _____
Exp. Date _____ Signature _____
NAME Mr/Mrs/Ms _____
Address _____
Post Code _____

Accreditability Coin Co. Ltd Reg in UK no 1297054

سكنا من الامم

SPORT

Golf / Derek Lawrenson

Designers with a style of their own

When a famous soccer player hangs up his boots and goes into management it is always interesting to see whether he fashions the team in his own image. Golf can offer a similar spectacle since no leading player can resist the opportunity to dabble in course design.

So, do courses with the Ballesteros name have enormously wide fairways with small greens surrounded by hazards that look impossible to negotiate? Are Bernhard Langer's courses designed so it takes six hours to get round? Do the venues bearing the names of those renowned long-hitters Ian Woosnam and Sandy Lyle feature holes that are 600 yards long? Does Nick Faldo's course have fairways that are five yards wide?

Top golfers have always designed courses but as with most things in the professional game there was little glamour in it until Arnold Palmer came along. Jack Nicklaus quickly joined in and now, all these years later, the two great rivals on the course are still in competition

off it. Both have designed more than 100 courses worldwide. This is big business. Jack Nicklaus Design employs more than 140 people in offices scattered around the globe and you can choose from four available packages. The most expensive, where Nicklaus himself may even visit once a month to see how things are developing, will mean no change out of him.

The massive amount of course building in Europe in the last decade has also created opportunities for golfers other than Nicklaus and Palmer. All six of the European tour's major championship winners have made contributions.

Some of Nicklaus's finest moments came on difficult courses and those that now bear his signature are generally very demanding. This is not much fun for those of us

who do not get a kick out of playing a succession of 450 yard per fours with small greens.

The Nicklaus-designed St Mellion in Cornwall, the venue for the Benson and Hedges International, is impossible for me. I have a single figure handicap, heaven knows how someone who plays off 18 negotiates it.

A criticism often levelled at Palmer and Nicklaus is that they do not pay enough heed to local characteristics. Palmer's course at the K Club in County Kildare, Ireland, features plenty of shots over water which may reflect his own death-or-glory approach to the game. This would be fine in Florida, where the great man lives and where the sun shines and the wind rarely blows. But what has it got to do with Irish golf, where these

things do not apply and where a shot over water is not a gamble but an impossibility if the wind is blowing from the wrong direction? Similarly Nicklaus's Monarch course at Gleneagles, where the bulldozers have changed the land leaving it so out of character with its surroundings that no-one cares what it reflects.

To be fair to both, their own thoughts are often buried beneath those of their employer. If the owner demands a macho course where the top players will fail to break 70 then there is not much point filling it with intriguing but short par fours.

Golf course owners bring in a big name simply to buy a profile for their development. It is easy to be

cynical about their efforts: you have seen him play golf, you have watched the video, read the book, bought his clubs: why not play his course?

The cynics argue that the developers are not thinking about whether the course the celebrity builds reflects his own golf they are thinking of publicity. In any case, the work is not done by the superstar at all - how can it be when he's playing golf most of the time? - but someone known euphemistically as a design associate.

Yet the vast majority of players know what they like. They can articulate that to the design associate. They do not have to be there to see every stone returned.

When the television commentator and former Ryder Cup player Peter Alliss designed The Belfry with

Dave Thomas he came in for criticism for planting a course full of American characteristics - big trees, big greens, lots of water - in the middle of the West Midlands.

"What people have to remember is that The Belfry was built on a potato field. Anyone can make an interesting course from rolling land lined with trees or running along glorious cliffs. The skill comes in making something out of a flat and uninteresting piece of farm land," said Alliss.

Woosnam, who is designing a course in West Sussex, thinks it inevitable that a course will reflect a player's own golf. He says: "I like to play courses like Fortmarnock where I can shape shots and there is a range of options. I do not like those places where I stand in the middle of a fairway and the only

shot I have is a five iron to the green. I want my course to bear this out whatever the land I'm working with."

Rather than a venue fashioned in his own image, Ballesteros wants to build courses that all golfers can play. "There's no point having a ravine 100 yards long across a fairway if the vast majority of players who are going there are high handicappers. I think Augusta is a perfect example of a course which reflects my thoughts in architecture because it is one which every player can play and enjoy."

However, Alliss does not believe that any of the aforementioned golfers will design a course in Britain that will live up to their achievements as players.

"It is not a reflection on their abilities as architects. I just do not think a great championship course will be built again in this country. The sites simply are not available. There might be some perfect terrain around Land's End or John O'Groats, but who would go to play it?"

Sailing / Keith Wheatley

An offshore loophole becalmed

The tax lawyers call it defalcation. This offshore loophole allowed a lot of Paris doctors to own a boat in the West Indies and helped French yacht builders such as Beneteau and Jannet to reach a size where they could dominate world markets.

Now, *le defalc* has come to the America's Cup. Stardust, the Paris-based yacht charter company, persuaded the French government to allow the two RFL IACC yachts built for the 1995 cup to sneak in under the programme. Stardust sponsors the campaign for a notional \$5m but the taxpayer picks up the bulk of the tab.

"It makes a perfect sponsorship for us," explained Jean-Michel Tissier, head of Stardust as racing began last month. "It is in the right sport and gives us huge exposure in the USA where we must look to grow our business."

As the challenger elimination series for the Louis Vuitton Cup reach the half-way mark, things look much less than *parfait* for the French. They lie next to bottom of the points table, above only the Spanish who have won just one race in six weeks. Missing the semi-final cut looks a real possibility. Pajot has set in at the lavish French compound on Mission Bay, just north of San Diego's main harbour.

When third-round racing began last Saturday there had been a big shake-up on board *France 2*. Skipper Marc Pajot had moved from the helm and tactician Bertrand Pace was off the boat. The syndicate's tune-up pair Thierry Peponnet (tactician and starting helm) plus Francois Brenac (helm) moved in to see if they could do better. An enormously unhappy Tissier was behind the move but it bore no fruit, with immediate losses to *Team New Zealand*, *oneAustralia* and *Tag Heuer*.

No British or American sailor compares in national popularity with Pajot's profile in France. At one time he was the country's highest-paid sportsman. He is widely thought to have political ambitions. His strategy of putting himself at the centre of the cup campaign could be about to explode in his face.

Elsewhere on the San Diego waterfront it has been business as usual for the Kiwi victory machine, *Team New Zealand*. They extended their unbroken run in the 1995 America's Cup to 14 straight races with the emphatic 1min 39sec win over *France 2*. This puts them at the head of the challengers' leader board. *oneAustralia* and *Tag Heuer* lie equal second.

The margin of the Kiwi win over Pajot would have been even greater if the NZ boat's splinter had not hit the buoy during the hoist at the final weather mark, leaving Russell Coutts and his crew to do a 270° turn before the finish. This highly-polished campaign does not like its image marred like that. In some pointed horseplay after the finish between John Allen and Murray Jones were shoved into the Pacific.

In the defender series *Young America* took the overall lead with wins over both Dennis Conner and the *America* women's team, the latter following a tight race in near perfect conditions. On the second downwind and third upwind leg the two yachts were never more than a boat-length apart, the time separation being between 10 and 12 seconds.

The women's team have confounding the early sceptics. They have proved strong in two unexpected areas: starting and upwind tacking duels. J.J. Isler has consistently given *America* speed and position off the line, and the team of female Olympic rowers and weightlifters on the grinders have proved the equal of their male counterparts. However, the women are relieved that their new boat is now in the compound being prepared for a mid-March racing debut. Even though *America* won the 1992 Cup handsomely for billionaire owner Bill Koch, there is no hiding the fact that it is the oldest boat in the regatta.

Young America has come from almost nowhere to be the front-runner among the defence syndicates. With a one-boom campaign, few dollars in the bank and a skipper lacking cup experience, they were never going to attract ante-post money at the bookies. Kevin Mahaney is rich kid



Business as usual: Russell Coutts (centre), skipper and helmsman of Black Magic, the New Zealand team, manoeuvres his boat for a start in the Louis Vuitton challengers cup off San Diego. Gary C. Costley

who grew up sailing along the coast of Maine, the area where George Bush has his holiday home. Until his 1993 silver medal at Barcelona there tended to be a feeling among US sailors that with his trust fund buying the best boats and paying for the best sails, Mahaney was always going to do well. However, it was interesting that to those two more world-class sailors with no "Cup runs", John Kosteck

and Ken Read, to join him in the tactical decision-making at the back of the boat. Kosteck took the 1988 Olympic silver medal in the Soling class, while Read has been six-times J24 world champion. Probably the key to the success of the whole operation is John Marshall, head of the whole PACT 95 operation which has built and campaigned *Young America*. Marshall sailed in the 1974 Cup aboard

Intrepid and then became indispensable to Conner as mainsheet trimmer aboard *Freedom* and then *Liberty*. After heading the design teams which gave Conner the successful *Stars & Stripes* in both 1987 and 1988, Marshall and the big man had a huge falling out.

When Marshall went he took Bruce Nelson, Conner's key designer with him. Since then the *Stars & Stripes* boats pro-

duced by Dave Pedrick have looked pedestrian. "Of all America's Cup programmes ours believes most fundamentally that boatspeed wins races, and advanced technology delivers boatspeed," says Marshall, explaining the credo of *Young America*, adding that on the software side: "In any sport the next generation of athletes compete at a higher level because they train harder and commit more to winning."

Sport provides

unmatched opportunities for small nations to establish an identity and hit back at larger neighbours. Uruguay soccer coach Ondine Viera once proclaimed: "Other countries have their history, we have our football."

Wales has a rich history and life beyond sport, but it has found few means of national self-assertion more effective than success on the rugby field. Once again, next weekend, a Welsh team is set to take the championship of Europe. Last month the Welsh Rugby League XIII led by Jonathan Davies succeeded where their union counterparts failed - by beating England at Cardiff - next Sunday the Welsh can win their first European title since 1961 if they draw with France at Carcassonne.

Some Welsh fans may suggest that the league team - including former union stars like Davies, Allan Bateman, Paul Moriarty and David Young - would also make a better fist of union international. And their tiny squad, drawn from ex-union converts to the tax-paying code, has been hugely strengthened by a rule change recognisable to Irish soccer fans. Several experienced top class players with Welsh grandparentage, including the entire Wigan front row, have been declared eligible to play for Wales.

It could hardly be better timed. Rugby league celebrates its centenary next autumn with a world cup. Rowland Phillips, a union international in his days with the Neath club and now playing league with Workington, says: "I reckon we can get to the semi-finals now and with a bit of the rub of the green, maybe the final." Few have comparable hopes for the

Rugby League / Huw Richards

The dragon and the devil

union team in their world cup this summer. There are Welshmen with impeccable union credentials who will tell you that league "fast, athletic and fluid" is now the better game. But whether it can overcome traditional Welsh ambivalence is another matter. Wales does not lose more players to league than other countries, but feels as though it does because it

As early as the 1890s a Wigan rugby league scout was ducked in the sea at Penarth

loses established club and international performers where English union never sees the best talent from the League heartlands of the North. So it has felt since the codes split over broken-time payments in 1895. The league scout is Welsh rugby's Demon King - cast in the role as early as the 1890s when a Wigan scout was ducked in the sea at Penarth, near Cardiff. Robert Gate, a historian, records that even before the schism of 1895 players like William "Buller" Stadden - scorer

of the decisive try when Wales first beat England in 1890 - were induced to leave Wales for the north by "generous expenses". Stadden has been followed by more than 150 internationals plus many more who might have been capped - in the words of Swansea University lecturer Phil Melling "One of the greatest migrations of talent in British history."

For some it provided opportunities that may never have come in union. Black Welshmen, such as Billy Boston, Roy Francis and Colin Dixon, played league internationals decades before Mark Brown and Glen Webbe made the union breakthrough in the 1980s.

Welsh fans rarely resent players who "go North". They realise many have more in common economically and sociologically with league counterparts than with the lawyers, bankers and surveyors who proliferate in English, Irish and Scottish union. But affection and understanding for the individual player does not invariably extend to the game they are joining.

League has long seen Wales, like its heartlands an industrial region with a mass following for rugby, as an enticing potential market. It has always been disappointed. There have been nine attempts to create

Welsh professional clubs. These teams have lasted a total of 21 seasons. One factor has been unremitting Welsh rugby union hostility, summarised in 1960 when then president Kevie Harding said: "The Welsh rugby league is only an infant, but it wants strangling".

Rugby league has appointed Kerry Sheehy as Welsh development officer. He is coaching in eight schools, while the new WRL has five amateur clubs including South Glamorgan Institute, the national student champions. Sheehy's own club Aberavon, the longest-standing of the five clubs, are developing the organisation necessary to long-term survival: "In the early stages everybody wants to play and nobody wants to do the administration. But now we've been around a few years, there are a few of us who are getting past playing and still want to be involved," he says.

Many play union on Saturday and league on Sunday, but Sheehy says they will eventually have to choose: "Playing twice a weekend does you no good in either game". None of this will cheer the WRU, but it should not feel threatened. Sheehy says: "They have 100 years start on us". Football historian Bill Murray says: "It is almost impossible for a firmly entrenched code to be displaced by another".

Wales used routinely to beat Australia at union. But in recent meetings they have been overwhelmed by the athleticism, handling and support play of the Australians - skills Australians learn by playing rugby league at school. If the WRU wants its own players to reach Australian standards it should not just be tolerating league in schools, but encouraging it.

Soccer / Peter Berlin

Who would be a referee?

Last summer, before the World Cup, Fifa, the governing body of world soccer, decided to abandon common sense. So far, say the officials who must put into practice Fifa's policy, things are working better than expected.

Fifa ordered referees to punish certain offences in specified ways. It may surprise readers and viewers of British newspapers and television but English referees and refereeing officials say they are pleased at the results. On the other hand, there are mutterings that changes affecting the way referees are appointed may be damaging the standard of refereeing.

David Elleray, a Fifa referee and spokesman for the Premier League referees, says: "There are two conflicting demands on referees: consistency and common sense. You can have a system where whenever someone commits an offence they get a yellow card, whoever the referee is, or you can allow a referee to judge the tempo of a match and a player can commit the same offence in two matches and get a yellow card in one and not the other."

Fifa opted for consistency. It ordered referees to show a yellow card for any tackle in which the tackler went to ground and made contact with the other player, doing away with the requirement that the foul be intentional. "Players have adjusted well," said Elleray. "Neil Ruddock [the Liverpool defender] who

was one of the most vocal critics at the start of the season has turned into a more skilful defender. The change has exposed others who do rely on clogging."

Now that the cloggers can no longer clog, the artists should be free to express themselves. So where are the artists? The English game, it turns out, was without artistry because, largely, it was without artists.

Perhaps play this season has been so uninspiring because of the increased threat of relegation. Four clubs will go down and many are playing safety-first football. Ken Riddon, the Football Association's director of refereeing, says this fear is part of the reason managers have been so ready to criticise referees. He says the increased media attention on the Premier League means that every mistake is highlighted.

"Previously, one or two matches every Saturday were covered by a single camera crew. Now, especially at the live matches, there are a dozen cameras or more," he said. Managers' complaints have focused more on perceived errors that involve goals or sendings off than on rule interpretations.

Managers have used the word "consistency" a lot, but that may be because they think Fifa's policy offers a handy stick with which to beat referees. To the average manager consistent refereeing means every decision going in his team's favour. As Ron Luciano, the baseball umpire, said,

umpiring is like "standing between two seven-year-olds with one ice-cream cone".

Meanwhile, there are growing tensions over the way the coveted places in the spotlight are awarded. Last summer the Premier League picked 22 referees from the 70-odd on the national list to form their pool for the 1994-95 season. The Endsleigh League reacted by not allowing the 22 to referee its games.

The Premier League is there-

Referees can no longer drop to the Endsleigh to recharge their batteries

fore stuck with its 22 for the year. Apart from cup games, referees can expect to average one Premier League match a fortnight. Like players, referees need regular matches to keep their form. "A match every other week is enough for some to keep in form but not others," said Riddon.

Referees who lose form can no longer drop to the Endsleigh "to recharge the batteries out of the spotlight," said Vic Callow, president of the Association of Premiership and Football League Referees. Promising referees cannot be moved up for a few games in the Premier League. They have

to be promoted for the whole season or not at all.

"We used to have the advantage that we could look at the people doing well," said Riddon.

He faces a problem next season. "Suppose we want to take a chance with young referees and they do not do well. There's no buffer."

Fifa is applying pressure for younger referees. The FA has a flexible upper age limit of 48. Referees must leave the Fifa list at 45 and cannot join if they are over 42. The FA is allowed to put eight referees on Fifa's international list, but the FA has not been able to nominate a replacement for Gerald Ashby who crossed the age threshold last year.

There are, nevertheless, nine Fifa referees in the Premier League. The Welsh FA is entitled to pick five Fifa referees. Its contingent includes Keith Burge, a Premier League linesman, two Endsleigh linesmen and a referee from the Konica League of Wales who could go from Aberystwyth Town v Benfica v AC Milan the next.

These changes are creating a group of celebrity referees, which causes resentment among referees and linesmen lower down the ladder. Next time you are telling a Premier League referee that you could do his job better, remember that there are dozens of ambitious Endsleigh League officials sitting in front of their televisions shouting the same thing.

FOOD AND DRINK

Cookery

Celebrate St David with a fish feast

Philippa Davenport finds a perfect partner for the humble whiting

On St David's Day, March 1, all good Welshmen wear leeks and carry the reek of allium with pride. Dafodil buttonholes are for women and boys.

This year, the feast of the patron saint of Wales coincides with Ash Wednesday, a clash that might prompt the cook to think in terms of partnering leeks with fish. This combination of ingredients can make a fine marriage.

Whiting is not in fashion these days. Few young cooks know it, and many older ones have been frightened off by memories of it served *en colere*

called *saith*) would be a more appropriate option.

DANISH FRIKADELLER OF WHITING WITH LEEK AND CORIANDER SAUCE
(Serves 3-4 people as a main course or twice as many as an appetiser)

Ingredients: 1lb whiting fillets; 1½lb leeks (tender green parts as well as white, trimmed weight); a bunch of coriander; half a lemon; 1 bay leaf; a good grating of nutmeg; 2 eggs; ½pt half-cream (or a mixture of milk and single cream); ½pt richly flavoured fish stock made from the whiting skin and trimmings; 2 tablespoons potato flour or cornflour; 4½oz butter plus extra for frying.

Method: Skin the fish, tease out any bones, and reserve a generous ½lb of the flesh for the frikadelles.

Simmer the left-overs for 20 minutes in water with the skin, bones and any extras gleaned from the fishmonger, plus a squeeze of lemon, a bay leaf and a couple of peppercorns. Strain, reduce to ½pt, season and cool.

Chop the reserved raw fish into chunks. Put it into a food processor. Add 1 teaspoon or so of sea salt, plenty of pepper, some nutmeg and 1 teaspoon lemon juice. Process to a fine, smooth purée, stopping the machine as necessary to push the fish down onto the blades for even results.

Sprinkle on the flour, add 1¼ or butter (at room temperature and diced) and whizz again briefly.

Beat the eggs with the half cream and cold stock. Add the mixture slowly to the food processor, pouring it through the spout while the machine runs.

You might not need quite all of the mixture if the eggs are very large. Stop when the purée is as rich, smooth and airy as heavily whipped cream, and just firm enough to hold a shape when spooned.

Chill for 30 minutes. Then shape the creamy fish purée into 18-24 plump oval cushions, forming them with the aid of two spoons. Lay them, spaced slightly apart, on baking sheets lined with lightly buttered greaseproof paper and chill again until ready to cook.

Cook the frikadelles in small batches, shallow frying them in hot butter until crusted with golden brown on the underside. Flip them over carefully and cook on the second side for around three minutes more. Drain on crumpled kitchen



Mediterranean Melin-y-Cock: a goat's cheese dish from A Taste of Wales by Gill Davies

Rays of culinary sunshine in Wales

Salmon from the Uak and the Dovey, ham from Carmarthen, shellfish from Dyfed, top-class lamb and beef obtainable everywhere. The quality and availability of fine ingredients in Wales has never been higher.

This abundance has encouraged the development of new culinary traditions, combining traditional recipes with a more innovative and modern approach, reflected in a new book, *A Taste of Wales* by food writer Gill Davies (£17, 160 pages).

Appropriately, it is being published by Pavilion on March 1, St David's Day. Davies has included a recipe by Colin Pressdee, the popular

Swansea chef and broadcaster, who starts a new series, *Welsh Coastal Cookery*, for Radio Wales on April 4. The BBC will also be producing a book (£5.99) with the series.

Pavilion is also using March 1 to publish two further titles reflecting Wales's diversity of food tradition. Ann and Franco Taruschio's *Leaves from the Walnut Tree* is out in paperback (£9.99, 256 pages) along with their new book *Bruschetta* (£12.99, 159 pages).

For more than 30 years the Taruschios have been bringing a unique alchemy to the hamlet of Llandewi Skirrid, near Abergavenny in Gwent. Distinctive is the word most used by food writers when

discussing their style of cooking. It draws on sources from Italy (Franco's home) to Thailand in addition to using local produce. Every dish I have ever eaten there, from Italian sausages to best end of Welsh lamb, has been exquisite. It deserves the accolade bestowed by my colleague Nicholas Lander - inspirational.

COLIN PRESDEE'S GRATIN OF COCKLES WITH LAGERBREAD
(Serves four)

Ingredients: 8oz lagerbread, 8oz cooked shell cockles or mussels or a mix of both; 2 cloves of garlic, finely chopped; 1 tablespoon of finely chopped parsley; 5 spring

onions, chopped; 2oz fresh breadcrumbs; 1oz grated Penryn or Cheddar cheese.

Method: take one large or four small shallow gratin dishes and divide the lagerbread between them, spreading a thin layer in each dish.

Top this with the freshly cooked cockles and/or mussels and a small amount of their liquid. Mix the garlic, parsley spring onions, breadcrumbs and cheese together and sprinkle over the dishes.

Bake in the preheated oven at 200°C/400°F, gas 6, or grill for about five minutes until the whole dish is sizzling and golden brown.

Jill James

Getaways for serious tipplers

Jancis Robinson on wine breaks

A circular from Lady Bute, wine merchant extraordinaire, has set me thinking about wine weekends.

She is organising one at her country seat from March 25 to 27 at which Jean-Pierre de Smet of Domaine de l'Arlot, one of Burgundy's most charming growers, will be performing, along with a traditional Scottish piper, two Scottish dancers, the local canon (at an ecumenical service to be held on Sunday morning in her private chapel), and of course the inimitable Jennifer Bute herself.

As one who has spent two nights at Bute Towers, the amazing late Victorian pile Mount Stuart on the Isle of Bute off the west coast of Scotland, I would urge anyone with a passing interest in wine, people, architecture, and how the other half live to consider this opportunity carefully.

I shall never forget the size of my bedroom, so great that it was inconvenient: I had to walk about a quarter of a mile to discover which of the precious chests, armchairs and escritoires I had left my hairbrush/handbag/notebook on. The shower in my perfectly preserved 19th century bathroom was encased in a mahogany cabinet, and its pipricks of water emerged horizontally from various different altitudes.

There is an artist-in-residence, a heated indoor swimming pool (surely only in Scotland do they have unheated indoor swimming pools), sauna, billiard room, tours of this exceptional Gothic house and gardens, and expeditions round the island.

Few gates are closed to Lady Bute on the Isle of Bute, which is a 30-minute ferry ride from Wemyss Bay, itself "less than an hour's journey by electric train from Glasgow Central", according to the island's tourist literature. It just seems a shame there's no Buteshire...

Wines to be served at dinner include first growth Chateau Mouton-Rothschild and one of Guigal's single-vineyard Côte-Rôties and the price varies from £160 to £585 a person according to how many nights (one to three) you can take and how large a room you require.

As a veteran of at least a dozen wine weekends in at least five locations, I cannot recommend them without certain reservations. It is very important to match your knowledge of and interest in wine with the general ethos of the weekend. (The Bute one sounds entertaining enough on its own account.)

Studley Priory, an atmospheric Elizabethan hotel over-

looking Osmoor just outside Oxford takes its wine relatively seriously and tends to attract fairly headline enthusiasts. This is great for monitoring how your Puligny-Montrachet Combettes is coming along, but less so if you are after a bibulous giggle.

Studley Priory's next wine weekend is November 3 to 5, and will be tutored as usual by wine writer Clive Coates, assisted by Jean-Michel Cazes of Châteaux Lynch-Bages, Pichon-Longueville etc and Anne-Claude Leflaive of white burgundy fame.

The price is likely to be around £400. Studley's weekends have an obvious geographical advantage for those living in south-east England, or flying in via Heathrow.

For years, I hosted a wine weekend at Glenesigles in Scotland where some of our most faithful participants were an extended French family and their friends who would fly from Paris and Lyons especially for the event.

Wine weekends are essentially a British rather than French phenomenon, although the Club Oenophile du Midi of Toulouse is organising not just one but two great Romanée-Conti tastings at Carcassonne's excellent Hotel de la Cité on Saturday 29 April at FF950 and FF9500.

You need to be sure that there is a reasonably jolly, inclusive host. I remember being invited to one hotel wine weekend where the owner treated his own coterie to champagne before dinner but left everyone else skulking about, eyeing us hungrily.

The ultra-luxurious Gidleigh Park Hotel near Chagford in Devon runs its wine weekends like a jolly house party, even to the extent of serving meals round a single large table.

Gidleigh has the added and unusual bonus of serving absolutely first class food. All this exceptional food and drink from Friday evening until Sunday morning, plus a guide such as Christie's wine supremo Michael Broadbent or Bill Baker of Reid Wines, costs about £400 per person.

Finally, do inquire about exactly which wines are to be served and whether they suit your taste. I once had the very dubious pleasure of witnessing a wine weekend participant explaining to Amyas Symington, of the famous Oporto dynasty, just exactly what it was he found so intolerable about port.

■ Bute Wines 0700-502730; Club Oenophile du Midi, France 01 47 37 58 or 63 24 43 34; Gidleigh Park 0647-432667; Studley Priory 0865-351263.

A dish that doesn't scratch ceramic hobs. (What a bunch of smoothies we French are.)

Of the many, very different, things I have had to do in Paris, one of the nastiest was to spend eight hours a day pushing television sets into tight spaces at the top of pitch-covered train-compartments during a heat wave.

Work began at 7am, but between the Metro and the warehouse we all stopped at the local bar where the work-

A morning shot of fire

Giles MacDonogh on the distillers of calvados in Domfrontais

ers lined up for a shot of black coffee. As the cup was pushed towards them, down came a bottle of clear liquid and every one of them got a slug of calvados. If you did not want the

breakfast spirit you had to say No pretty quickly; once it was in the cup there was no turning back.

Laws against drinking and driving and work safety codes must have eliminated some, if not all, of the massive intake of drink which used to go on inside, or just outside, the factory gates; nor can I believe that French industry has suffered as a result.

The calvados drunk on these occasions was not the aged distillate found in top restaurants, but young, fiery stuff, often bought directly from a mate in Normandy soon after it had run off the still.

In the Domfrontais they maintain that the spirit is perfectly pleasant to drink at 18 months when it has a good, frank taste of pear (yes, pears). Tossed into coffee it is even better, as the espresso seems to absorb some of the rougher elements.

The Domfrontais region of Normandy specialised in this sort of calvados. It is a rough,

lawless place, similar in some ways to the west of Ireland. The hereditary distillers, or *bouilleurs de cru*, declared a minute amount of their production in order to justify their continued ownership of a still.

The bulk, however, was sold under the counter, and sold when it was young and fiery. The Domfrontais is a region of ancient pear trees, some of them two centuries old. Unlike the better known Pays d'Auge, the spirit is made from distilled perry, or pear cider, while the Pays d'Auge only small amounts of pear juice are used - rarely more than 10 per cent.

The other big difference between the Domfrontais and the sleek Pays d'Auge lies in the method of distillation. The people of the Domfrontais preferred the continuous still, while the Pays d'Auge preferred double distillation in pot stills. The former is the way in which the best armagnac is made, the latter, cognac.

While most of the distillers of the Domfrontais preferred to sell young *eau de vie* on the sly to locals and café-owners, there were always a few producers who kept the flag flying for quality.

The great name in the Domfrontais used to be Isidore Lemorton, a venerable patriarch who died last year at the grand old age of 94. Longevity and calvados seem to go together. In the Pays d'Auge almost all the male members of the Groult family attain ages of between 80 and 90 years; and that other great name for superb old calvados, *le pere Camut*, died recently, only a few years off his century.

Lemorton calvados is now made by Isidore's son, Roger. It cannot be easy taking over at an age when most people have already retired. Perhaps because of his age, Roger Lemorton shows no desire to rock the boat.

He has instituted a young (five-year-old) calvados, but the flagship products are still the old vintages.

If you are not careful, old calvados kept in oak casks can take on a fiery, aggressive character with age which is not altogether pleasant. I found something of this on the Lemorton 1967. On the other hand, the 1955 and the 1944 were wonderfully smooth and concentrated without so much as a hint of woodiness in spite of their continued residence in oak. The 1926, made at the beginning of Isidore's reign, was more peppery.

Lemorton still has a small amount of pre-1900 calvados made by his grandfather. Like the rest, it remains in wood and is bottled when he needs stock. He sells these spirits to top restaurants such as Tall-

levant and La Tour d'Argent in Paris and Boyer in Reims. The one we tasted was quite remarkable: still recognisably and pear-apple calvados and without any burning sensation on the finish.

Lemorton remains a small producer. Anyone looking for quantities of Domfrontais calvados should apply to the co-operative in Domfront itself. This was an initiative of the Comte Louis de Lauriston, a descendant of the John Law who created the Banque de France and a Scottish earl in his own right.

More recently the Domfrontais have called on the services of the former marketing teacher, Christian Drouin, who bottles his own Pays d'Auge calvados under the labels Fiefs de Sainte Anne and Coeur de Lion.

The calvados is sold in elegant Italian bottles and labelled Comte Louis de Lauriston. The spirits come from the farmers themselves, who sell them barrels for bottling. This allows the co-operative to sell some splendidly mature calvados: a slightly edgy 15 year old; a rich, mellow 1939; a more peppery 1964; a beautifully fresh, frank 1915, which was, in my opinion, the best of the lot.

It was certainly a long way from that crude shot which used to shake the workers back to life on their way to the factory in the Boulevard Macdonald.

Oddbins

The Traditional and The Alternative

Fine Wine at Oddbins is a fabulous collection of the rarer and more esoteric products that our Buyers stumble across on their travels.

Over forty mature classed-growth clarets

Burgundy from the region's best growers and most highly-rated vintages

New World rarities from Australia and California

Some of our finest offers will appear in this space throughout the year, but if you can't wait, call your nearest Fine Wine store for further details now.

The Weird and The Wonderful

6 Oddbins' Fine Wine shops are probably the best in the U.K.

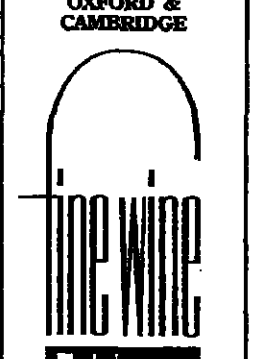
LONDON Farringdon Street 0171-329 6989

LONDON Notting Hill Gate 0171-243 8668

EDINBURGH Queen's Street 0131-225 5707

GLASGOW Mitchell Street 0141-221 3294

Coming Soon OXFORD & CAMBRIDGE



BENGAL CLIPPER BY THE RIVER

At Butler's Wharf, Tower Bridge, exceptional Indian cuisine in a magnificent environment enhanced by live grand piano every evening. This large and stylish restaurant has just been acclaimed as one of 1994's best. For a reservation, please call: 071 357 9001. Corner Shad Thames/Curlew Street, London SE1.

To Celebrate the Success of the FT Lunch L'ESCARGOT is delighted to announce the launch of their NEW "LONDON BUSINESS LUNCHEON" FOR £12.00

Two Courses of Superb Provincial Style cooking at Exceptional Value Reservations Essential 48 Greek Street 0171 437 6828/2679 London W1V 5LQ

CLARETS AND VINTAGE PORTS WANTED

We will pay auction hammer prices. Payment immediate. Please telephone Patrick Wilkinson 071-267 1945 or Fax: 071 284 2785

WILKINSON VINTNERS LIMITED Fine Wine Merchants Convent House Rd London NW8 2LN

سكنا من الامل

BOOKS

Views that don't make ends meet

Joan Smith takes a collection of essays to task for treating money as a purely male prerogative

In 1902, after a slump in the value of South African gold-mining shares, a jobber named Henry Heppel blew his brains out in a lavatory at the London Stock Exchange. The bullet passed through a partition into an adjoining stall and wounded another member in the arm. Seven years before, a broker with money troubles slit his throat on a train; an inquest was told that Frederick Heath "had been unable to sleep for the past three weeks owing to trouble caused by heavy monetary losses".

These examples of money causing terminal despair come from David Kynaston's essay on the City at the turn of the century in the new edition of *Granta*. They cast an ironic

light on the cover image, a sleek tycoon smoking a cigar, even when funds are plentiful. Helen Epstein's account of the arbitrary manner in which American cash is channelled into AIDS research in Uganda shows that money alone does not go far in solving problems.

In what is perhaps the most startling contribution, the English author Richard Rayner, now living in Los Angeles, confesses to an early career as a forger and burglar. Faced with a college bill he

could not pay at Cambridge, he claims to have embarked on a life of crime which began with forging cheques, progressed to stealing a Rolex watch from a fellow student and culminated in a bungled burglary at an isolated house belonging to the parents of a friend.

Rayner's piece is prefaced by a photo which shows him snoring in an open-necked shirt, his hair unfashionably tousled and a gold chain nestling in his chest hair. The image reinforces the impres-

GRANTA 49: MONEY

Penguin £7.99, 256 pages

sion conveyed by the essay that Rayner regards his younger self as a bit of a lad, a latter-day Redford for whom he feels nostalgic affection. But if his account is accurate, it would hardly be surprising if some of his erstwhile Cambridge friends took a harsher view.

Rayner's essay is the first in the collection and to some extent sets the tone. To Rayner, to Ian Hamilton trying to keep a small literary magazine afloat, to James Buchanan earning royalties he cannot spend in Jeddah, money is a bit of a joke. Coming from only a slightly different angle, Kevin Jackson makes a playful attempt to deconstruct its meanings, quoting from Sophocles and George Gissing and Dr Johnson. Real grinding poverty makes an appearance only at a safe dis-

tance, in Africa or in Jonathan Raban's promising but too brief essay on farming in Montana in the 1930s. This is partly, I think, because of a feature of *Granta* which has come in for persistent criticism without making much impact on its editorial policy. All but one of the contributions in the new issue are by men, dramatically restricting the range of experience and ideas represented in it. Financial institutions have only recently been

opened to women but there is no woman's view of the City; millions of families in Britain live in poverty, many of them single mothers and their children, but you will not find a word here about the daily juggling act these women are required to undertake to make ends meet. So relentlessly male is *Granta's* outlook that there is not even a piece on that traditional woman's pastime, shopping. Either the assumption is that men's and women's relations to money are identical, which for historical reasons alone cannot be true, or *Granta* still has not woken up to the existence of half the human race. Fair enough, but in that case shouldn't *Money* be half price?

Walpole: master of the epistle

A.C. Grayling enjoys a delicious correspondence

When David was old and stricken in years, so the First Book of Kings tells us, his servants brought him a young virgin. Abishag the Shunammite, to "be in his bosom so that our lord the king may get heat." "And," the chronicle continues, "the damsel was very fair, and cherished the king, and ministered to him: but the king knew her not." Transposed to the 18th century, this warming tale exactly applies to the ageing Horace Walpole, who had not one but two Abishags, the charming sisters Mary and Agnes Berry.

Virginia Surtees has collected and, with the lightest of editorial touches, annotated Walpole's delicious letters to the Misses Berry. They reveal the old man in his last

THE GRACE OF FRIENDSHIP: HORACE WALPOLE AND THE MISSES BERRY

edited by Virginia Surtees
Michael Russell £14.95, 243 pages

eight years of life, very old for the day - in the his seventies - but still full of charm and intellectual vigour. The Berry sisters were the delight of his declining years; he was more than half in love with them both, and stopped himself proposing to Mary, the elder, only by thinking what people would say if a lifelong bachelor espoused a girl in her twenties.

"When an ancient gentleman marries," he wrote to them, "it is his best excuse, that he wants a nurse: which I suppose was the motive of Solomon, who was the wisest of mortals, and a most puissant and opulent monarch, for marrying a thousand wives in his old age, when I conclude he was very gouty. I in humble imitation of that sapient king, and no mines of Ophir flowing into my eschequer, espoused a couple of helpmates."

Despite appearances, the friendship was not an unequal one. Walpole was, it is true, rich and famous - and the scion of a house made great by his Prime Minister father, Sir Robert Walpole - whereas the Berrys were poor and socially obscure. He therefore patronised them, in the best sense of the term: he gave them a house in the grounds of his extraordinary Gothic creation, Strawberry Hill, and left them well provided in his will.

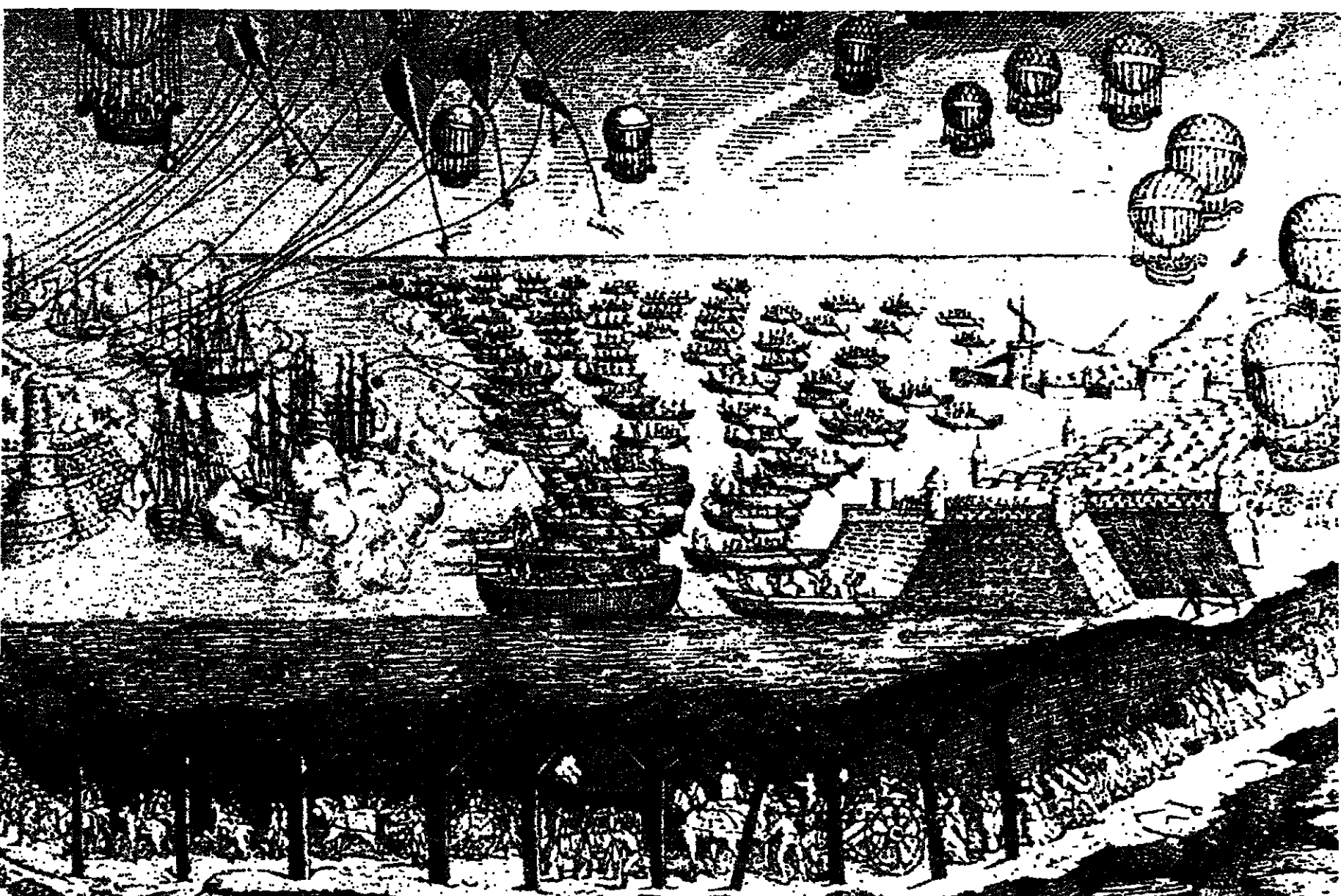
But the sisters had much to offer in return. They spoke French fluently, and read Latin. They had travelled, and knew France and

Italy almost as well as Walpole himself. They were cultured, intelligent, unpretentious and affectionate. After Walpole's death Mary served as his literary executor, producing the first complete edition of his works. Her journals and letters are one of the chief sources of information about his life.

Virginia Surtees's edition of Walpole's letters to the Berrys is a valuable addition to our understanding of him. He is an important figure in the intellectual history of 18th century England; his celebrated Gothic novel, *The Castle of Otranto* - praised by Sir Walter Scott and damned by Hazlitt - is the starting-point of English romanticism. His memoirs of the political life of his times are an invaluable historical document, for although he was inveterately hostile to his father's political enemies, he was fair in reporting parliamentary debates and personalities, of which - as a silently observing MP for over a quarter of a century - he had intimate knowledge.

But Walpole's chief contribution to literature is the epistle. He passionately admired the letters of the 17th century Mme de Sevigny, who had revived the classical tradition of letter-writing as an art. In more than 3000 letters spanning a period of 60 years Walpole took the epistolary art to new heights. His chief correspondents included Sir Horace Mann, long-time British resident of Italy, the Milton scholar William Cole, the Countess of Ossory, his old friend Henry Seymour Conway, and the redoubtable Parisian salon hostess, blind Mme du Deffand. But in these charming letters to the Berry sisters Walpole is at his most domestic - even, at times, at his most vulnerable, as when the sisters made a channel-crossing on a night of storms, and Walpole haunted the Gothic gloom of Strawberry Hill in terror for their lives. These letters are unbuttoned, fond, playful, gallant and doting. They glance at great events of the day - the trial of Warren Hastings, the storming of the Bastille and the Revolution - giving them an extraordinary freshness and immediacy, reminding one of history's sharp realities.

And we see the life of the Misses Berry, Agnes's painting and Mary's crushing disappointment in love, reflected in the mirror of Walpole's concern. In all their lightness and immediacy, these letters are a human testament, witnessing to what Walpole in one of these letters calls "the grace of friendship" - words which Virginia Surtees aptly uses as the title of this pleasing book.



Euro-scepticism circa 1800: an English print shows Napoleon invading Britain by a secret tunnel. From "Channel Tunnel Visions, 1850-1945: Dreams and Nightmares" (The Hambledon Press £25, 239 pages). Author Keith Wilson examines the response of politicians from Gladstone to Chamberlain to plans for a tunnel link and argues that their views have reflected the key question about Britain's identity in the larger world.

Disraeli the literary dandy

Malcolm Rutherford on a new account of the prime minister's puzzling early life

Benjamin Disraeli was a revered Conservative prime minister who told fibs about his ancestry (the origins of his name, for example), was a bit of a philanderer and whose early life was crippled by debt. Most of that information must have been known at the time, but was either ignored or glossed over in his biographies.

For later generations some of the facts started to come out in *The Young Disraeli* by the American B.R. Jermain, published by Princeton University Press in 1960. Jermain worked from letters, papers and a diary that had been previously overlooked. It is slightly surprising that Jane Ridley should make only passing reference to Jermain in a book of the same name.

Still, Ridley picks up where Jermain left off and others have since trod. Her young Disraeli was an

even wilder figure than Jermain suggested. He was at home in the "fleshpots of Malta", the "brothels of Constantinople" and was probably a latent homosexual. "Bisexuality", Ridley writes, "came as naturally to Disraeli as did Tory Radicalism", which at the time seemed a contradiction in terms. Tories were not supposed to be radical.

This is the first of two volumes, covering Disraeli mainly as dandy and writer, though it stretches to 1846 - the year of the repeal of the corn laws and the establishment of Disraeli as a potential party leader. Presumably volume II will provide an assessment of his political career; the first is decidedly good to make one look forward to it.

Nevertheless, Disraeli remains a puzzling figure. One question Ridley does not fully answer is why he was so persistently in debt. We

know the beginnings: he made a spectacularly unwise investment in Anglo-Mexican Mining shares in 1824. Yet Disraeli always had friends who would bail him out in the end. Every time they did the debts began to mount again.

It cannot have been a case of fast women and slow horses, for Disraeli took more from women than he gave and was not interested in racing. True, he was fond of claret, but usually at other people's expense. His father was not poor and Disraeli had at least some income from his own writings. Somehow the accounts do not add up.

It is less puzzling that he should have dithered about which party or faction to join. If you have decided at an early age, as Disraeli clearly had, to seek to become the next prime minister but three (or thereabouts), it is worth pausing before you throw your lot. Personalities have as much to do with it as policies, and it is naive to believe that there are permanent differences between parties. Disraeli was an opportunist, but none the worse for that.

Yet there remains the question of how such a dandy could be such an assiduous worker. Ridley makes the peculiarly English judgment that Disraeli was not an intellectual. That is not how it would have seemed on the continent. He read widely and wrote prolifically. Apart from his literary side, he devoured official documents. His novels are strewn with knowledge of blue books on the condition of the poor and even reports on the "sanitary condition of the labouring popula-

tion". Disraeli was also one of the few British politicians to have liked Germany. He did so because he visited it at an early age and saw the country in all its diversity. In short, he had an open and inquiring mind.

Ridley makes much of his Jewishness. Although it did not prevent him from getting to the top, perhaps he had to be at the top to be fully self-confident. There is a revealing quote from his French biographer, André Maurois, who notes that he was never truly at ease in the company of men: "To feel himself their equal, he needed to be their chief".

In the end of course he was, but that is for volume II. Ridley concludes that Disraeli spent his early life inventing himself. After 1846 the next step was to re-invent the Tory Party. It was not until 1874 that the party won a general election.

Freddie never tells anyone when he has severe toothache. His carers have to guess what has provoked his violent rages. Freddie is basically autistic. He is oblivious to the concerns of the people around him, follows only his own volatile desires and obsessive interests, and seems restricted to his own narrow, sometimes explosive world. Freddie never learned to speak and he cannot even share his feelings and thoughts by look or mime.

One of the best supported scientific theories of autism is that autistic people are not aware of thoughts or feelings: they do not find it self-evident that their own thoughts or feelings are different from those of others. For Mark Frankland this explanation makes sense of the bizarre behaviour of his step-brother Freddie.

The story of Freddie and of the people who cared for him is intense and poignant. It concerns a beautiful changeling child and the society beauty who adopted him. Devastated by the deaths of her brother and husband, Olivia Campbell took on a baby who proved to be autistic. Although essentially unsuited to the role, and

Does anyone outside India still read the poetry, let alone the stories, essays, novels, plays, diaries and autobiographies of Rabindranath Tagore? Down in Devon his spirit survives in the New Age studies at Dartington, whose foundation was directly inspired by him 70 years ago and made possible by an American millionaire. In Bengal, after many years of suspicion and rejection, he has apparently become the great local hero.

This excellent new biography is directed to the non-Indian reader and focuses on the man rather than his prolific writings; it is welcome if only because these days so few of us know anything about him. Perhaps with today's renewed concern to explore the unity of man and nature, we should pay attention once more to the impossibly handsome Bengali Brahmin who arrived in London in 1912 with a collection of his own translations of his Bengali poetry, *Gitanjali*, and immediately won the Nobel Prize. From then until his death in 1941 he was a world figure.

He was launched by Yeats, who hailed his poetry in ecstatic terms: "A civilisation, a whole, immeasurably strange to us, seems to have been taken up in this imagination: and yet we are not moved because of its

Seer-poet from Bengal

J.D.F. Jones on the Brahmin who captured the west's imagination

strangeness, but because we have met our own image..." Twenty years later Yeats was describing Tagore's subsequent work as "sentimental rubbish". Ezra Pound compared the early poems with Dante, and various otherwise sensible people compared Tagore's personality with that of Christ. Bertrand Russell kept his head and said the man talked "unmitigated rubbish". André Gide, his French translator, volunteered in a letter, "He is EXQUISITE".

The bare bones of the story are that Tagore was grandson of a fabulously rich zamindar landowner in Bengal, son of a more austere "Brahmo" (a puritanical sort of Hindu) and brother of the first Indian to get into the ICS. An early visit gave him an affection for England (he always enjoyed singing "Come into the garden, Mandi" in his celebrated tenor voice). He had next to no formal education and, after his emergence as a poet and song-writer, he

left Calcutta for the Bengali sticks to manage the family estates. That period did not merely turn him into a superb writer of short stories as well as songs (Satyajit Ray once said, "As a composer of songs, Rabindranath Tagore: the MYRIAD-MINDED MAN").

by Krishna Dutta and Andrew Robinson
Bloomsbury £25, 493 pages

Tagore has no equal, not even in the west - and I know Schubert and Hugo Wolf) but also gave him his ideas for the essential regeneration of India: to focus on the villages.

In his campaign for rural development, Tagore was far ahead even of Gandhi, with whom he was to have a delicate relationship in the years ahead. To implement his ideas he set up a school, later to become a "university", at

Shantiniketan, a hundred miles outside Calcutta, which became familiar to distinguished visitors to India but never really worked out. Its alumnae included Indira Gandhi and Satyajit Ray.

Tagore spent years travelling the world, lecturing, being lionised, raising money for his school. He must have had immense charm. By now he was seen as a sage, a seer, but he was no politician, flirting with Mussolini, always ambivalent about the Soviet Union. An Anglophile who came late to the cause of Indian freedom, he renounced his knighthood in protest against the Amritsar massacre, but no-one noticed.

He continued to believe that in his own person he could bring together east and west, both emotionally and intellectually. That is some claim. Though I am not saying he was wrong.

This biography is admirably straightforward, readable, lively, informative. Tagore's music and painting are only briefly discussed, at the end. Examples of his poetry are included and there is bound to be a problem about any discussion of the accessibility of Bengali poems or prose in translation.

It would have been interesting to know more about the setting up of Dartington. I imagine that Tagore is there in spirit and that he is as photographic as ever.

Three different destinies

Uta Frith examines insights into the enigma of autism

Freddie never tells anyone when he has severe toothache. His carers have to guess what has provoked his violent rages. Freddie is basically autistic. He is oblivious to the concerns of the people around him, follows only his own volatile desires and obsessive interests, and seems restricted to his own narrow, sometimes explosive world. Freddie never learned to speak and he cannot even share his feelings and thoughts by look or mime.

One of the best supported scientific theories of autism is that autistic people are not aware of thoughts or feelings: they do not find it self-evident that their own thoughts or feelings are different from those of others. For Mark Frankland this explanation makes sense of the bizarre behaviour of his step-brother Freddie.

The story of Freddie and of the people who cared for him is intense and poignant. It concerns a beautiful changeling child and the society beauty who adopted him. Devastated by the deaths of her brother and husband, Olivia Campbell took on a baby who proved to be autistic. Although essentially unsuited to the role, and

although she married again, she came to devote her whole life to her adopted son. With Freddie she found constant drama and anxiety and also a measure of enjoyment. Donna Williams is an apparent paradox - both autistic and an unusually gifted writer. After the success of her first book *Nobody Nowhere*, in *Somebody Somewhere* she continues to tell us about her inner world, and her constant struggle to understand it, in vivid fragments of sensations and emotions. Observations of herself and others are made without a desire to create an impression, and without fear of potential misunderstanding. This more than anything reveals her authenticity. But just as Donna talks about being "meaning deaf" and not understanding what others say, so too I wonder whether I might be "meaning deaf" to her expressions.

While she says that "autism lets me speak my own words without knowing what I am saying or even thinking", Birger Sellin, who is completely mute, represents the opposite view: that autism is a kind of paralysis that prevents him from saying what he is think-

ing. The proof of this assertion is, apparently, the rich inner world and intense suffering revealed in Sellin's poetry. Suggestions that his writing is produced thanks to a gifted psychic medium would have been more acceptable than the

and proved illusory. To quote Mark Frankland: "Our imagination imposes too heavily on people, and there is no limit to how much can be wished onto a silent man like Freddie." The phenomenon that makes people wish to believe in fairy tales and miracle cures does not have to be explained. The tenacious belief in this latest craze does.

Freddie's story leads us through the different approaches to autism, from Kleinian analysis, remote control teaching, psychosurgery, old style asylums, locked wards, electric shocks, drugs of all kinds, remedial education and the Rudolf Steiner movement. To finally, community care. None of these seems to have altered the inexorable course of Freddie's very own and different destiny. To me this is oddly reassuring. Birger and Donna too, I believe, will also be essentially untouched and unspoiled by any controversy or fame attracted by their books.

Is this a miracle? Or wishful thinking? Scientific judgment points to the latter. Cases of "facilitated communication" have been rigorously tested

claim that it is actually made: that a so-called "facilitator" - his mother - gently touches his arm which is held over the keyboard, so that he can type, painfully, with one finger. Is this a miracle? Or wishful thinking? Scientific judgment points to the latter. Cases of "facilitated communication" have been rigorously tested

claim that it is actually made: that a so-called "facilitator" - his mother - gently touches his arm which is held over the keyboard, so that he can type, painfully, with one finger. Is this a miracle? Or wishful thinking? Scientific judgment points to the latter. Cases of "facilitated communication" have been rigorously tested

BOOKS

Enlightened look at liberal values

This book should provoke a welcome debate on the ideas of Isaiah Berlin, writes A.C. Grayling

In A.L. Rowse's memoir of his time as a Fellow of All Souls, there are references to a superior young intellectual, a bright young man, with a talent for mimicry and amusement which made him a refreshing and sometimes irreverent addition to Oxford's most august college.

That bright young man - now in his 80s - is Sir Isaiah Berlin, who went on to become Chichele Professor of Social and Political Theory at Oxford. He had begun his career as a philosopher, but - in Rowse's words - had wisely dropped the will-o'-the-wisp of metaphysics for the more rewarding study of the history of ideas. And then Rowse introduces a note of disappointment. "He could have written three or four substantial books for us on Russian thinkers and social thought. He never did, he devoted himself to essays, skimming the European cream."

This remark shows how comprehensively Rowse has underestimated both the man and his achievement, for Berlin is the most perceptive and subtle historian of ideas this century, and has been an important contributor to debates in social and political theory.

His chosen vehicle is the essay - beautifully written, rich with distillations of a wide and deeply pondered reading, perfectly adapted to his undogmatic, exploratory style of inquiry. Together Berlin's essays fill more than twice the three or four substantial volumes Rowse had

hoped for, and they are permanent additions to our literature. For this reason John Gray's eloquent book is welcome, because it measures Berlin's achievement correctly and tries to give it a systematic statement. If Gray is only partly successful in this second aim it is because his own strong convictions lead him to emphasise aspects of Berlin's thought in ways that other readers of Berlin are unlikely to accept.

Isaiah Berlin was born in Riga, Latvia, in 1909, the child of devout Hasidic parents. The family moved to St Petersburg, where in 1917 they witnessed both the February and November revolutions. By 1921 they had settled in England, where Berlin went first to St Paul's School and then Oxford. Apart from a posting in the British Embassy in Washington during the second world war, his home has been Oxford since election as a Fellow of All Souls in 1932.

A key to Berlin's outlook lies in his comments on Lewis Namier and Felix Frankfurter, both immigrants to Britain who possessed a touching Anglomaniac: a "childlike passion for England, English institutions, Englishmen - for all that

was sane, refined, the opposite of brutal... for the liberal and constitutional traditions that before 1914 were so dear to the hearts and imaginations especially of those brought up in eastern or central Europe, more particularly to members of oppressed minorities." Berlin, one such immigrant himself, from the same part of Europe and from an oppressed minority, might be writing about himself and his own values. The themes of moderation and decency are constants in his thought.

Three interests dominate Berlin's writings. One is the history of Russian thought; another is the criticism of the Enlightenment project mounted by its opponents; and the third is the question of liberal values in a pluralistic society. The first two interests are pursued by careful, subtle enquiries into the outlook of individual thinkers. Alexander Herzen among the Russians, and Vico, Fichte, Hamann and Herder among the opponents of Enlightenment, have drawn classic studies from Berlin's pen. The third interest is discussed on its own terms - as witness the celebrated volume, *Four Essays on Liberty* - but is pervasively present in Berlin's writings on these other

topics also. Accordingly Gray trawls widely for his account of Berlin's thought. In Gray's interpretation, Berlin holds a "subversively original" view which Gray calls "agonistic liberalism": that there is a plurality of values which are irreconcilable and conflicting. Most liberals believe or hope that, by the exercise of reasoned tolerance, conflicts of values can be

ISAIAH BERLIN
by John Gray
HarperCollins £18, 183 pages

resolved and harmony achieved. But Berlin, says Gray, is far more pessimistic: "he bows to the hard fact that conflict and the damage that results from it is unavoidable. His liberalism is stoical and tragic."

Berlin's agonistic liberalism embodies, says Gray, an attempt to blend rationalism with Romanticism, the Enlightenment ideal with the criticisms of the counter-Enlightenment. And this means that Berlin's is something of a failure: it is haunted by an uncertainty which expresses itself as a tension - indeed per-

haps the contradiction - between classical liberalism and the pluralistic, historicist outlook of the Enlightenment's critics.

Enlightenment thinkers believed that, by the use of reason, mankind can identify universal goals for itself, and the means to achieving them. They believed that science and rationality can overcome superstition, despotism, inequality and war. This faith was strongly opposed by critics who argued that different peoples have different needs and aims, and that there are no universal standards of reason and therefore no ultimate solutions for the dilemmas faced by humanity.

Gray interprets Berlin as accepting this latter opinion, and therefore as being committed to the rather precarious view that a liberal society is only one form of human possibility, with no special status vis à vis others - but to which, nevertheless, we should unflinchingly commit ourselves. The problem Gray identifies is: if liberal society is merely one among a plurality of options, why should we commit ourselves to it with such conviction?

But has Gray got Berlin right? Most readers of Berlin will be surprised to see such a bleak and inconsistent message

being drawn from his writings. They see in Berlin something different: an insistent belief that although there are conflicts and difficulties in the human condition, it remains worthwhile quietly to push the claims of reasoned tolerance as a means of solving or at least managing them.

Even if the critics of Enlightenment are right; even if the relativist view - that certain values are irreconcilable with certain others - is true; even if there is no clear answer to how a dilemma should be resolved; still, says Berlin, tolerance and reason can help to maintain the equilibrium which is, as he puts it, "the first requirement of a decent society".

Berlin does not, in other words, underestimate the vast complexity of human problems, nor the precariousness of the remedies we have for them. His essays are careful explorations of the arguments on all sides, and of the hidden needs and interests they serve. The work of understanding is an essential part of the work of finding practical solutions to these problems. What Berlin contributes is a large advance in respect of the first task.

Although Gray's interpretation has Berlin committed to a more pessimistic and unstable view than seems plausible, he has nevertheless performed a major service in setting out and discussing the broader outlines of Berlin's thought. His robust and readable book doubtless marks the beginning of a welcome debate about Berlin and his ideas.



Hilary Mantel: challenges a body of belief

Fiction/Carlo Gèbler

Nature will out

I admired *Fludd* for its resolute anti-trendiness (imagine writing a sympathetic life of a charismatic priest) and *A Place of Greater Safety* because of Hilary Mantel's ability to work on a large historical canvas (the work is set in revolutionary Paris).

Vastly different though they were in subject, these works shared a stylised quality of language and form: they were clearly from the pen of the same author.

The author's new novel *An Experiment in Love*, however, may be judged by some to be a disappointment as it is more straightforward and conventionally realistic. It is certainly realistic, but I also found it a much more satisfying read than the earlier works and in some respects - particularly its

dungroman. The form is a demanding one since it requires that the characters are always in a state of flux. Karina starts as an emblem of mittel European stoicism and resilience. However, by the time we reach the denouement, when a fire rages through Tonbridge Hall, we know not only that Karina is sly and secretive - she has kept the fact of being pregnant from her friends for six whole months - but that after the fire alarm started, she locked her despised room mate Lynette (a rich girl from Harrow) into the bedroom they shared on the third floor of Tonbridge Hall; and Lynette has not come out. Karina is, if not a killer, certainly an accessory to another's death.

Julianne, a little more predictably perhaps, starts as a snob; she then goes through a nice patch, when she comforts a girl who has an abortion; and she ends as a faddish feminist doctor who gives advice to rich parents about their children's anorexia and bulimia.

AN EXPERIMENT IN LOVE
by Hilary Mantel
Viking £15, 256 pages

non-doctrinaire analysis of men and women and their relationships - it merits comparison with Elizabeth Taylor.

The early scenes in the novel are set in a north of England mill town in the 1950s. The milieu is a cheerless one of cold linoleum and scrubbed faces, Eccles cakes and jigsaw puzzles, with dad by a wheezing coal fire; there is a faint whiff of Alan Bennett. The narrator is Carmel McMain, only daughter of second generation Irish immigrants who have ended up in Lancashire.

The child McMain is sickly (as she remains for the rest of the novel) and returning to primary school after a particularly long absence, she finds that she is now friendless. Where shall she sit?

Uncomfortable and uncertain, she plumps for Karina, daughter of eastern European Catholics who, like the Irish before them, are beached in the miserable north - except, of course, unlike the Irish, it is the second world war and not the search for employment that has brought them there.

The two inevitably become friends and go onto grammar school where they meet Julianne, the blue-eyed daughter of a dentist. The two become a threesome who then go on to London University, and end up living together on the third floor of the grim Tonbridge Hall of Residence somewhere in WC2.

An Experiment in Love, in other words, is a female bil-

But it is Carmel, the narrator, who undergoes the greatest changes; she begins as a bluff and wary observer who is particularly good on the habits of the north of England; she then becomes an incredibly pretentious and irritating undergraduate with not an original thought in her head; and finally knows something true and right.

And what Carmel knows - beautifully and elegantly expressed by Mantel - is that "isms" and ideologies, particularly socialism and feminism, have always wanted to control relationships. Unfortunately for ideologies (although fortunately for the rest of us), there is not a system under the sun which will ever be the equal of nature; and the simple reason for this is that all "isms" and ideologies were invented by human beings, and nothing that comes out of the human intelligence can ever match the terrifying and appalling strength of nature. We are biological mechanisms which will, no matter what, fall in love and reproduce. The call of our bodies, or of nature if you prefer, is stronger in the end than our intellectual constructions.

An Experiment in Love is a very fine novel and it does what fiction is particularly adept at doing; it mounts a challenge to a body of belief which verges on the hubristic. I suspect this will not win Hilary Mantel many plaudits, but she has my vote.

Towards the end of the financial year, it is cheering to discover a children's book that encapsulates every grown-up's worst fears - and then provides a solution. In *Dog Dotington* by Diana Hendry (Walker Books, £7.99), the Dotington family are beset by all sorts of terrors, but Dad Dotington is particularly "scared of letters in brown envelopes".

"Let's get a dog," the family decides, "that may make us less nervous." Father hopes that "a dog might eat the letters in brown envelopes", but the new mongrel, named Hero, turns out to be more terrified of life than the Dotingtons themselves. How Hero instills courage into his new owners is the crux of a book that has the rare ability to hold the interest of adults as well as children.

Another author who consistently feeds the imagination of the grown-up as well as that of the child is Anthony Browne. His *The Big Baby* (Red Fox, £4.50) is the story of a Peter Pan-like father who spends hours in the bathroom, likes loud music and always retreats to bed at the first sign of a cold. One night, after knocking back an elixir, he wakes to find that he has become a real baby again - and it is horrible. Browne's unsettling illustrations, combined with an excellent text, make this the perfect post half-term gift for reluctant fathers.

The general unpleasantness of infants is also the theme of *The Babies of Cockle Bay* by Angela McAlister and Susie Jenkin-Pearce (Hutchinson, £8.99), in which a group of illiterate pirates kidnap 23 babies. Even the promised wheelbarrow of gold ransom fails to compensate for the ghastly business of mass feeding and nappy changing.

This is a magical story tempered by scatological humour that should appeal to every three- to five-year-old. More seafaring material can be found in Flora McDonnell's *I Love Boats* (Walker Books, £8.99), an exuberantly illustrated, simple tale of different types of craft - houseboats, dredgers, ferries and ocean-going liners.

The Bed and Breakfast House by Tony Barton (Bodley Head, £9.99) is about a hotel with a spooky secret. On a rainy seaside holiday two little boys are determined to find the truth about a hidden room in a hotel which is an expanding delight of endless corridors and interconnecting rooms. The charm of the book lies in the wonderfully eccentric illustrations by Mark Robertson which are full of exotic detail and odd angles.

Shouting Sharon by David Pace (Frances Lincoln, £8.99) is a riotous counting story in which an obnoxious little girl roars "WAKE UP!" at two sleeping babies, "CHOCOLATE!" at four dieting ladies and so on. Huge entertainment for three-year-olds and no peace at all for anyone else.

It was a relief to turn to *The Runaway Train* by Benedict Blatwary (Julia MacRae, £8.99) in which marvellously detailed illustrations of railway stations, industrial towns, canals and country villages combine with a well-written and entertaining text to tell the story of Duffy the Driver who gets left behind by his train.

An irresistible, if extravagant, book-in-a-box for babies is Dom Mansell's *Baby Dinosaur Board Books* (David Bennett Books, £11.99), which has a cheerful-looking stegosaurus, incorporating six small board books, correlated in a cardboard cage.

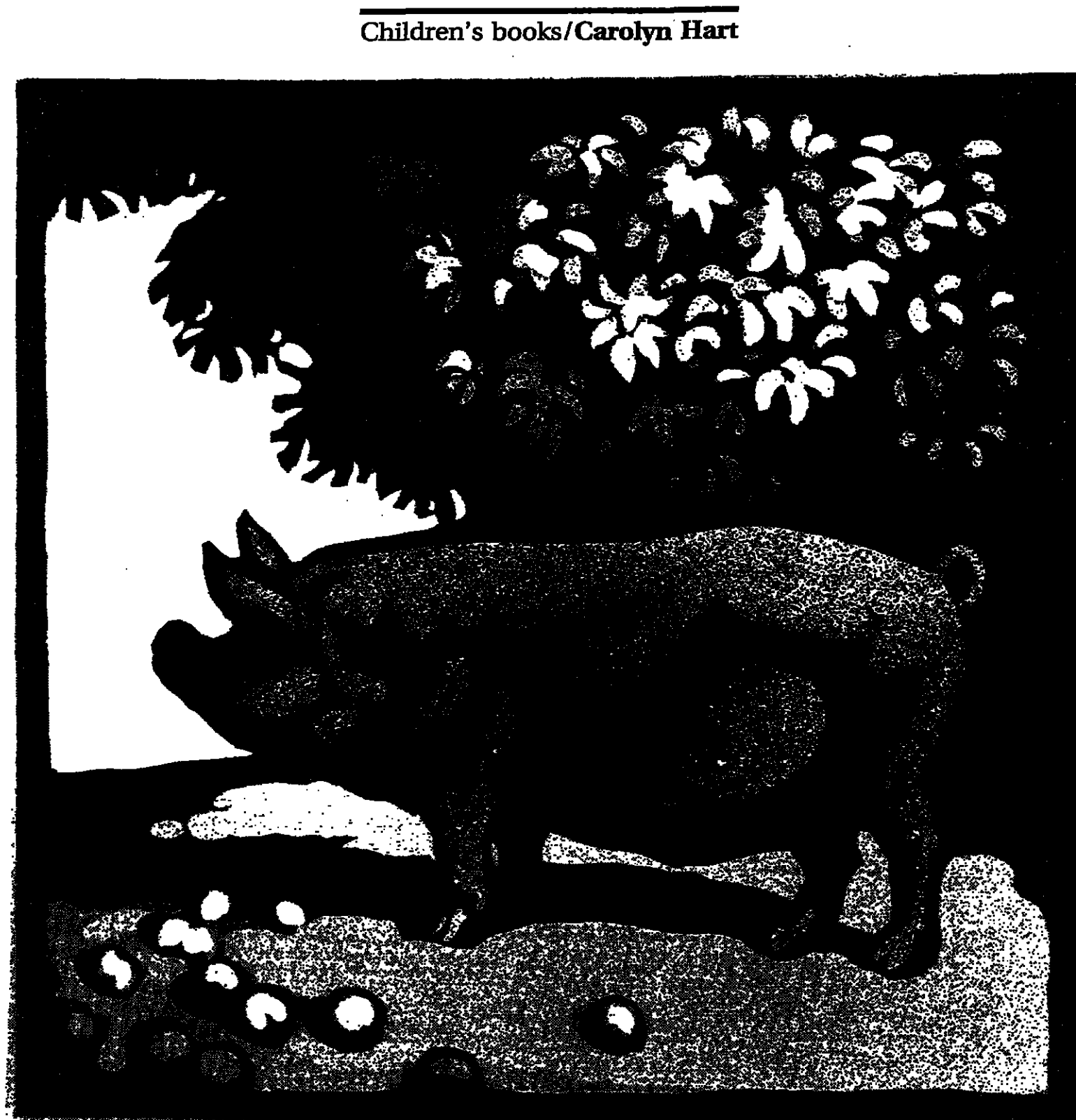
Bridging the gap between being read to and starting to read alone, *Dr Xargle's Book of Earth Relations* by Jeanne Willis and Tony Ross (Red Fox, £4.50) is a hilarious guide to Earthlings and their habits. Small Earthlings are "smelly, sticky and dangerous. Never look in their pockets", but Grandpa and Grandma Earthling, "born at the same time as Tyranno-

saurus Rex... are made from soft, crumpled material... and their most popular game is called 'Where did I put my glasses?'"

Aimed at a slightly older age group, Walker Books' *Rethinking the Classics* series reaches something of an apotheosis with Marcia Williams' *Adventures of Robin Hood* (£8.99), a marvellous strip cartoon rivaling anything produced by Disney.

Handsome Robin, jutting chin and green breeches well to the fore, comports with a charming, dumpy Marian, several knobby-headed Anglo-Saxons and a leeringly villainous King John. Walker Books also publishes *Don Quixote* (£7.99), *Jonah and the Whale* (£2.99) and *Joseph and His Magnificent Coat of Many Colours* (£3.99 each).

Many of the books aimed at the pre- and early-teen market look as though they would be more at home in a True



"P" is for Pig - Christopher Wormell's uncompromising farm animal is included in a new miniature edition of his successful *Alphabet of Animals* (Farrington Press £2.50, 60 pages). As well as more familiar domestic and wild creatures, Wormell's handsome linocut block prints also depict the narwhal whale, the iguana and the quetzal and xenops birds.

Our Hero to the rescue

Romance magazine, but some gems do shine through. *The Stone Menagerie* (Mazamoth, £3.99), released next month, is a tragicomic story of a boy's fraught relationship with the adults in his life by the consistently excellent Anne Fine, author of *Madam Doubtfire* and *Flour Babies*.

Please Come Home by Michael Hardcastle (Faber, £9.99) explores the emotional effect on children of broken homes and extended families. When her mother disappears, Rachel sets off to find her, arriving in London where she is taken under the wing of a homeless teenager. This is a no-nonsense, well-written book, delving into several emotional teenage byways, not least the startling realisation that parents can have independent lives, too.

The screenwriter Robert Bolt, who died this week, had written his first book for children. *The Thwarting of*

Baron Bolligrew (Cape, £8.99), is an ebullient medieval adventure story in which a dumpy, middle-aged knight slays a dragon or two and in doing so discovers he "had a tiny sense of humour".

The bestselling status of *Sophie's World* by Jostein Gaarder, the book that purported to explain philosophy to small children, seems to have evaded Russell Stannard's *Uncle Albert* series. But these stories of a famous scientist, his mysterious thought bubble and a host of scientific theories served up for 10- to 12-year-olds, is more accessible and entertaining than their glossier relative.

The latest in the series is *Uncle Albert and the Quantum Quest* (Faber, £3.99) in which Albert's niece, Gedanken, disappears into an *Alice in Wonderland* world of jumping quarks and electrons, white rabbits, Red Queens

and a nuclear raspberry tart, in an effort to understand the notions of light and matter.

Also wrestling with the complexities of life, Ted Hughes' wily deity is back in his celestial workshop engaged on the first job creation scheme. *The Dreamfighter and Other Creation Tales* (Faber, £10.99) is a marvellously ironic collection of stories in which God, poised on a knife edge between triumph and disaster, breathes life into his clay creations: "Camel was a mistake. He was simply made wrong... God did try to remake Camel... He tried the first set - great, spreading foolish feet that they were. Camel's hump seemed badly wrong. But when God took it off, Camel fell on his nose. So he had to put that back too..." Five of these tales will be screened on BBC's *Jackanory* from next Monday.

The National Curriculum requires music to be taught to children in a way that necessitates a specialist music teacher. But most junior schools are lucky to have a teacher who can play the piano.

There is less provision for the arts in children's time-tabling, and in most counties, schemes for free or cut-rate instrumental teaching are a thing of the past. It is left to the struggling junior classroom teacher to impart knowledge of our musical heritage, and the joy to be gained from practical music-making.

The Music Pack is, therefore, especially welcome as a useful aid to anyone wanting to bring the subject of music to life for children.

A 3-D tour of note

Jane Browne on a refreshing look at music history for children

The early development of sounds into music, notation, the orchestra, world music and music in the 20th century. There is an accompanying compact disc with examples of classical masterpieces chosen to illustrate the different periods of musical history.

Each page contains levers to pull, images that pop up, and pull-outs to investigate or even play. The emphasis is on fun, as well as education. The text covers basic

information about music with clarity, although I suspect most young children browsing through the pack would not read much of it unassisted. Ideally it needs to be looked at with an adult to help with the explanation, and it would be useful to teachers of junior or lower senior school pupils. Most of the pull-outs and pop-ups would probably have a limited life-span without adult supervision.

The choice of music on the CD is good, although I was disappointed to find no examples of dance music, jazz or electronic music, which are referred to in the book.

The overall approach is, however, refreshing. I showed the pack to a number of children, some of whom were experienced instrumentalists and some with little musical knowledge and they all responded with great enthusiasm.

The choice of music on the CD is good, although I was disappointed to find no examples of dance music, jazz or electronic music, which are referred to in the book.

The overall approach is, however, refreshing. I showed the pack to a number of children, some of whom were experienced instrumentalists and some with little musical knowledge and they all responded with great enthusiasm.

سورة الاحقاف

ARTS

Paris opera hits high note amid discord

Quality may be variable, but Andrew Clark finds an abundance of productions, money, and ideas

Once in a long while, when offstage politics are set aside, Paris can still claim to be the world's operatic capital. Take the past two weeks. The Bastille had two international shows - Donizetti's *Lucia di Lammermoor* with June Anderson and Roberto Alagna, and Berlioz's *La Damnation de Faust* staged by Luca Ronconi. The Châtelet unveiled the new William Christie-Graham Vick production of Purcell's *King Arthur*, while the Opéra-Comique continued to explore its rich heritage with Delibes' *Lakmé*. Andrei Serban directed an exuberant student production of Prokofiev's *The Love for Three Oranges* at the new home of the Paris Conservatoire.

The Parisians are spoilt for choice. The quality may be variable, but there is an abundance of money, ideas, venues and audiences. *King Arthur* was the one which *le tout Paris* wanted to see - a tribute to the reputation Christie has built over 10 years with his period ensemble Les Arts Florissants. It also says something about the quality of Vick's staging that, night after night, packed houses were enthralled by three and a half hours of often slow-moving English speech and song.

For late 20th century audiences, accustomed to having their music, dance and spoken theatre served up on separate plates, *King Arthur* is a curious hybrid. Purcell's music adds up to little more than a series of tableaux within John Dryden's play. The opera public has traditionally been content to hear the dialogue in truncated form; the drama public can live without the singing. The challenge facing a modern production team is to harmonise these different tastes, to let words and music cohabit. The other problem is how far to match on stage the period style of performance in the pit.

Christie has made clear he sees little point in trying to reproduce baroque conventions on stage. He prefers directors who show respect for the music but extract a powerful modern resonance. His collaboration with Vick entirely vindicates this rationale. The aesthetic chosen by Vick and his designer, Paul Brown, is not dissimilar to their Royal Opera *Mitridate*: a simple, manoeuvrable set, a vibrant array of blues, reds, greens and yellows, an extravagant style of costuming, and a wealth of visuals, from oriental barbarism to American Surrealism, from medieval pagantry to a post-modernist brew.

This is topped off with an exaggerated style of Shakespearean declamation, giving the ritual exchanges a whiff of *Life of Brian*. Whenever music or dialogue is in danger of flagging, Vick does something to rekindle interest. There are flying machines (though nothing as fancy or noisy as their baroque counterparts), a track-suited Venus, a picture-book evocation of the Channel tunnel and some joke-

patriotic references to the "Fairest Isle", all garlanded with Ron Brown's sensuous choreography. The heroic and the farcical live side-by-side - yet the wisdom of Dryden's verse, especially on the nature of love, is never smothered. And the stage is always alive, even in moments of stillness.

Nevertheless, with a first half lasting more than two hours, this is a long evening. A few judicious cuts would not go amiss before the production reaches Covent Garden for three performances in May. Much of the singing is distinguished - particularly from the sopranos Véronique Gens and Claron McFadden - but the lower male voices are too small. The actors, led by Howard Ward's rampant Arthur, Paul Webster's indefatigable Conon, Bernard Horsfall's gently patriarchal Merlin and Samantha Cones' virtuous Emmeline, are keenly aware of the music of language, delivering the text with carefully-weighted feeling. In the pit, Christie alights on the music's grandeur and magical beauty, drawing a sumptuous sound from a 35-strong orchestra. The result is a triumphant spectacle. The Purcell year can expect nothing better.

The Châtelet's Anglophile season continues with *Peter Grimes*, a Charles Mackerras-Nicholas Hynes production of *The Cunning Little Vixen* and some high-profile concerts by the Philharmonia Orchestra. For native repertoire, Parisians must turn to the Opéra-Comique. After an uncertain period in the 1980s and early 1990s, this homely theatre has come into its own again, and it is hard to believe that anyone would want to close it. This season's highlights are *Lakmé* and Gounod's *Mireille*, both of which are shared with a number of provincial theatres.

With its oriental colour and expressive melodies, *Lakmé* is pure period charm. French audiences love it, because it defies updating and gives an attractive platform to an agile soprano and lyric tenor. The title role in Paris was taken alternately by a rising local star, Natalie Dessay, and Elisabeth Vidal. I heard Vidal, and was not disappointed. She has a pleasing stage presence and points the vocal line graciously. The famous Bell Song had its desired effect, although the tone was a little dry and colourless.

But the real discovery was Marcus Jérôme (formerly Haddock), as Gérard. This young American has garnered good notices over the past year, but he needed the right part to flower properly. He spoke the dialogue like a native, showed an easy mastery of the high-lying phrases, and gained in stamina and allure as the evening progressed. And he is good-looking. All of which bodes well for his Don José whenever he feels ready for the part. Jean-Philippe Courtis was the imposing Nilakantha. Gilbert Blin's production, conducted without undue sentiment by Frédéric Chaslin, was tidy and pictorial.



Mounted in triumph: le tout Paris wants to see "King Arthur", with Howard Ward in the title rôle, at Châtelet

For *The Love for Three Oranges* (sung in the original French), you had to travel to La Villette on the north-eastern fringe of Paris, where the Conservatoire forms part of the newly-inaugurated Cité de la Musique. This is a monumental complex, conceived on the visionary scale only the French seem to be able to afford. The Conservatoire appears to be thriving in its new home.

The students had clearly enjoyed working with Serban: the staging was loud, entertaining, full of high jinks and extremely polished. But the experience

will have taught them more about modern production methods than about Prokofiev. Serban and his co-producer Niky Woloz turned the opera into a Communist fairy-tale, complete with red flag, Kremlin conspiracies and Karl Marx. The principal characters were an ageing Stalin (the King) and the baby-faced cream of Soviet youth (Prince and Princess), pitted against the evil Stars and Stripes (Fata Morgana).

Never mind the false assumptions about Prokofiev's relationship with Soviet Russia; never mind that this sort of inverted nostalgia for communist dictatorship

seems sick and tasteless. A large cast, chorus and orchestra, conducted by Scott Sandmeier, exulted in the music's demonic march. There were some good voices, and their joyous conviction carried the day.

I did not see Serban's staging of *Lucia di Lammermoor*, but by all accounts it was as bizarre as the Prokofiev and not nearly so well received. The consensus among Parisian critics was that in spite of some excellent singing, the Bastille had served itself one more unrelivable production. Roll on September, when Hugues Gall promises to give some direction to this drifting hulk.

Supreme if you belt out Baby Love

Now don't get too excited: remember the small print. And there it is. "The Sounds of".

just above the banner title and the photo of the three glamorous ladies peering out from under giant wigs. The ownership of pop brand names has kept lawyers' bank accounts buoyant for many years, and Motown, the creator of the sound, quickly laid claim and secured the rights to the Supremes, the most successful of the girl groups of the 1960s. So when one of the early participants, Mary Wilson, set up on her own with two new girls, injunctions flew. Now there are competing groups touring the world, each with tenuous claims to the Supreme title, but all covering themselves in small print.

The trio at the Café Royal Green Room until March 11 has one respectable link to the originals. Kaaren Ragland was in Mary Wilson's revived Supremes of the late 1970s. Another member, Hollis Payser, belonged to a cadet branch in the 1980s. Making up the trio, Angel Rogers thankfully makes no claim to the blood royal.

To a great extent, if you wear a glossy purple sheath dress, move your hands a lot over your body, and belt out "Baby Love", "Stop in the Name of Love" and so many disco hits of a generation ago, you are a Supreme.

These "Supremes" had a tricky start in what is for them a tiny venue: one looked sour, one seemed spaced out, and one had spread. But gradually their personalities came strongly across, and resemblances to the originals - who were so schooled and programmed by Motown that they were little more than marionettes - faded. Here were three feisty ladies earning their bread quite professionally.

The voices are much more individualistic than the originals, and there is no attempt to imitate Diana Ross's breathless swoon or the soignée elegance of the past. This was a workmanlike interpretation, particularly pleasing in the lesser known songs and the up tempo numbers, which gradually got the audience involved.

Perhaps the band could have been more exciting; perhaps the performance could have been more stimulating. But there was something human in the glimpse of underclothing escaping from the costumes; in the lack of sophistication as the girls smiled at each other in glee when it all worked, and looked cross if there was a mishap in the backing.

In the Green Room a tradition is being maintained. No doubt as the 21st century ends distant descendants of Kaaren, Hollis and Angel will be going through the same hand jive motions, the hammed emotions.

Like all good art forms, pop both treasures its originals but imperceptibly modernises them. In the smartened up Green Room this was an acceptable form of time travel.

Antony Thorncroft

Theatre/Alastair Macaulay Molière coated with a crust of contrivance

To metropolitan Londoners, English Touring Theatre is best known as the company that brought Alan Cumming's startlingly humorous and vivid *Hamlet* to the Donmar Warehouse in 1988. The company, in fact, had been formed that year and *Hamlet* was its second production. Since then, it has managed to stage new productions of at least three plays per annum (five in 1994), ranging from Shakespeare (three so far) to Pinter, and to tour each of them for several months.

The company's home base is in Crewe. I went to the Lyceum Theatre there last week to see the first night of its latest production. The theatre is a 1911 beauty, with two balconies charmingly decorated with stucco figures, and everything handsomely refurbished.

The new production is of Molière's *The School for Wives*, with a new translation by Kenneth McLeish. It feels right now as if McLeish has suddenly started to corner the market for new play translations. He renders supple, fresh English versions of plays origi-

nally in French (Molière, Feydeau, Labiche), Norwegian (Holberg, Ibsen), Latin (Terence and Plautus), and Greek (Aeschylus, Sophocles, Euripides, and Aristophanes). He accompanies *The School for Wives* with an amusing programme note in which he parodies the artificial and self-conscious rhyming pentameters of many English Molière translations.

Kenneth McLeish's fine translation is ruined by over-acting

tions, and explains why he thinks more variable line-lengths and less incessant rhyming enables an English translation to catch Molière's simple comic fluency with more truth.

The result is a nice compromise between Ranjit-Bolt-style artful rhyming (as in the 1991 Peter Hall *Tartuffe*) and Christopher Hampton's more transparent rhymeless blank verse (as in the 1984 RSC *Tartuffe*). Certainly, the presence of some rhyme does lend an emphasis to the end of a line, helping to echo Molière's rhythm (if not his metre), and McLeish's version blends formal elegance and easy urbanity. When he errs, it is on the rhyme-heavy side. "How can I

risk it? It takes the biscuit." Is this better than the unobtrusive rhymes of the Richard Wilbur translation, used last year at the Almeida? Not to my ear, but my heart can find room for both.

The ETT staging, with its sweet period doll's house set by Jackie Brooks, greatly entertained the Crewe audience. For me, it was a slow and tepid affair, sunk by the appallingly overacted central performance of David Gant. As Arnolphe, the ill-advised cynic who is so determined to become the one uncuckolded husband in town, to no avail - Gant adopts ponderous artifice of posture (bent knees), of gesture (lavish), of scuttling about the stage (pointlessly), of vocal tone (exaggerated legato), of verse delivery (savourily zooming past one rhyme only to clobber you with the next). He has an especially irritating trick of pausing before the final word of a line: "Tell me" (wait for it) "more". The stupidest was "I Won't Be..." (suspense) "Long; you want to cry out, pantomime-fashion. "Oh Yes You Will."

In another production, some of the other performances - such as Faith Flint as Agnès, the simple girl he means to marry - might have stood a chance. Not so in this case. Stephen Unwin, who is ETT's artistic director, has staged this version so that self-advertising acting alone makes much much impression. Gant is not the only sinner here, but he sets the tone. He works so hard that the audience applauds his sheer industry - he is acting his legs off, and all for us - and he coats Molière's play with the thick crust of contrivance that poor McLeish's translation has worked so hard to remove.

On tour until April.

ART GALLERIES

THE NATIONAL PRINT EXHIBITION
Over 400 prints including work by Van Gogh and Pissarro. Last week ends 11 March 1995.
MALL GALLERIES, THE MALL, LONDON SW1.
Tel: 0171 550 5844
Adm: 12, open 11

ST. JOSEPH'S HOSPICE
MADE ST. BACON, LONDON W14
Char No. 26320

So many arrive as strangers, weary of pain and fearful of the unknown. They gladly stay as friends, secure in the embracing warmth, fortified and cherished to the end with the help of your graceful gifts. I thank you kindly on their behalf.
Sister Superior

War-torn urban novel wins prize

Laura Silber talks to Serbian writer Vladimir Arsenijevic



Arsenijevic: 'I wrote a family story and set it in the present - wartime. So it turned into a nightmare'

yet at times amusing, story describes mobilisation in Serbia in 1991, when tens of thousands of Serbs were sent to the front in an undeclared war against Croatia. While many hid to avoid mobilisation, one of the characters in the novel was so despondent when rejected by the army that he tried to join a Serbian paramilitary unit, only to be rejected again. Finally he swore he would fight for the

other side in Croatia because they paid better.

The novel's main characters are part of urban sub-culture and Arsenijevic's craft lies in making these anti-heroes universal. "People stop me on the street and say, 'My brother was there', my son lives on the other side in Zagreb, you can imagine how he feels, or 'he went to the front'. They are ordinary people who identify with the characters. Maybe

they see their sons or daughters."

The older generation, believes Arsenijevic, has had an easier time adjusting to the violent disintegration of Yugoslavia. "The parents had fewer problems. They could relate to what was happening. They could get used to anything. We couldn't. From the earliest age we travelled abroad, listened to music, watched movies, followed fashion and cultural

trends. We see our generation as permanently disfigured by what happened."

Arsenijevic himself is an unlikely hero in stark contrast to the gaudy stars of Serbia's popular culture. A former punk musician, he is well-read, but received no higher education. Under the communist system, Arsenijevic was forced to specialise so he chose "cook-technician", because it gave him more time for his band. At one point he came to Britain and did a stint as a chef in an Earl's Court restaurant.

Now, just weeks after the Nin prize, *In The Hold* has won notice outside Yugoslavia and is due to be published this year in France and Sweden. Its young author is a survivor of a modern Belgrade which all but disappeared with the collapse of Yugoslavia. "All of a sudden we were surrounded with very kitsch Cyrillic letters, and retro nationalist and monarchist imagery. It is even stupider than communist imagery, which at least is clean-cut with very nice red stars and hammers," he says in reference to the rise of nationalist symbols in Serbia.

He worries about the future. "I look around and I see ugly faces, people with aggressive dogs, muscles and guns. When you're a teenager you tend to follow the pack. I know the feeling. When I was 14 I used to get beaten up all the time as a punk rocker. But they did it with sticks - I wonder what they do now? They probably shoot you."

His novel also captures the apathy gripping Serbia. "A few years ago, everybody thought if the people on top were removed, everything would be transformed. Ask them now, they would say that it would make no difference."

He describes President Slobodan Milosevic of Serbia as "The Great Experimenter: 'he tries something new all the time in his laboratory. From the rat's perspective every new day brings another horror.' But Serbia's literary tyro is philosophical. "After all, history books describe the 12th century in Europe as the Dark Ages. People were slaying each other. But somebody must have had a picnic."

INTERNATIONAL ARTS GUIDE

What's on in the principal cities

AMSTERDAM

GALLERIES
Rijksmuseum Tel: (020) 673 21 21
 ● Art of Devotion 1300-1500: winter exhibition focusing on the spiritual function of objects in the medieval period; to Feb 26 (Not Sun)
 ● UKYO-E: the finest Japanese prints; to May 29
Stedelijk Tel: (020) 5732 911
 Alfa Romeo: The Essence of Beauty: exhibition marking the development and design of Alfa Romeo cars from the early part of this century to the most recent models; to Apr 2

BARCELONA

GALLERIES
Fundacio Joan Miro Tel: (93) 329 19 08
 Julian Schnabel: works by the American artist including 30 large format paintings and four monumental sculptures displayed outside the building; to May 14

BERLIN

GALLERIES
Deutsches Historische Tel: (030) 215 020
 ● Art from the GDR 1949-1990: exhibition that looks at politically commissioned art in the old German Democratic Republic; to Apr 18
 ● Pictures and References to German History: exhibition with more than 2,000 paintings, coins, materials and other artefacts that document the history of Germany; to Dec 1 (Not Sun)
Kunstgewerbemuseum
 Contrasts in 20th Century German Design; to Dec 1
Neue Nationalgalerie Tel: (030) 2662653
 George Grosz, Berlin-New York: exhibition of the German Dadaist who emigrated to the US; to Apr 17
OPERA/BALLET
Deutsche Oper Tel: (030) 3 41 92 49
 ● Die Meistersinger von Nürnberg: by Wagner. Conducted by Rafael Frühbeck de Burgos, production by Götz Friedrich; 5pm; Feb 26
 ● Ein Maskenball: by Verdi. Conducted by Rafael Frühbeck de Burgos/Sebastian Lang-Lessing, produced by Götz Friedrich; 7.30pm; Feb 25 (6pm)
 ● Les Interminables du Coeur: ballet in two parts by Saint-Saëns. Choreographer, Roland Petit; 7.30pm; Mar 2
Theater des Westens Tel: (030) 31 90 31 93
 Street Scene: by Kurt Weill. In English with soloists Janice Felty and Dean Anthony, conducted by James Holme; 7.30pm;

BOLOGNA

OPERA/BALLET
Teatro Comunale Tel: (051) 529999
 Carmen: by Bizet. A new production directed by Federico Tiezzi and conducted by Garcia Navaro. Soloists include Elena Zambra as Carmen and Maria Bayo as Micaela; 8.30pm; Mar 3

BONN

GALLERIES
Kunst- und Ausstellungshalle Tel: (0228) 9171 236
 Under the Volcano: Antiquities Masterpieces: second in the "Great Collections Series"; this exhibition represents a "reconstruction" of the 200,000 works of the Museo Archeologico Nazionale di Napoli that includes statues, frescoes and ceramics; to Jun 5 (Not Mon)

BRUSSELS

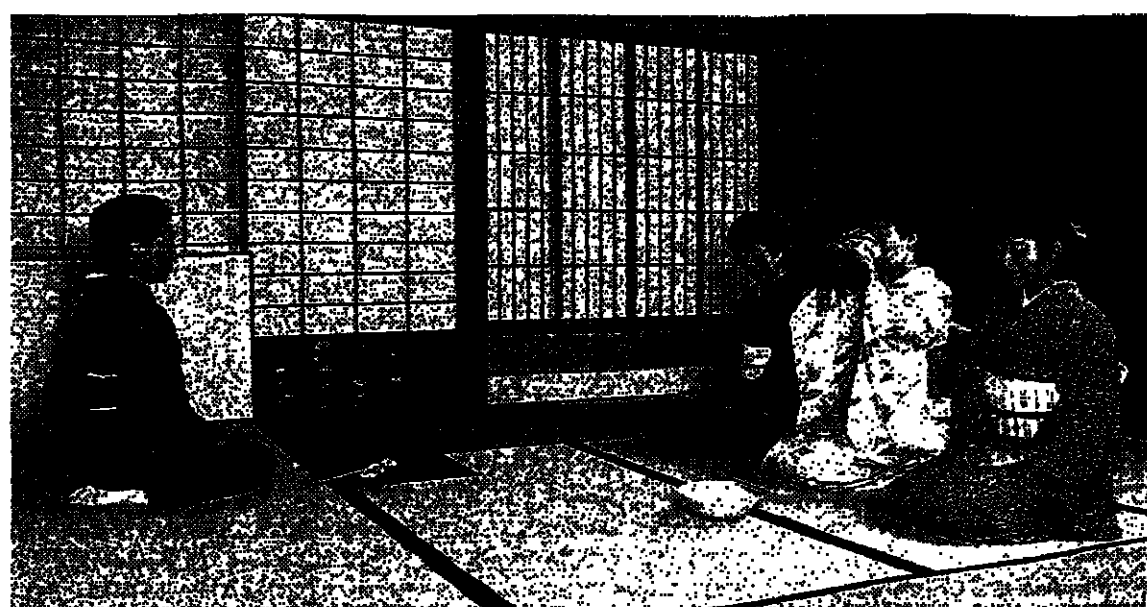
OPERA/BALLET
De Munt/La Monnaie Tel: (02) 218 22 11
 ● Il Trionfo Dell'Onore: by Scarlatti. Conducted by Patrick Davin and produced by Joël Lauwers; 8pm; to Mar 2 (Not Mon)
 ● Il Trittico: by Puccini. A new production directed by Stein Winge, conducted by Antonio Pappano; 7pm; Feb 26 (6pm)

COLOGNE

CONCERTS
Walhall-Richters Tel: (221) 221 2379
 Maurice Denis: exhibition of works by the French painter associated with the Nabis group; to Apr 2
OPERA/BALLET
Oper der Stadt Tel: (221) 221 8400
 The Turn of the Screw: music by Benjamin Britten. Conducted by Stuart Bedford, produced by Michael Hampel. In English with German surtitles; 7.30pm; Mar 1

LONDON

CONCERTS
Barbican Tel: (0171) 638 8891
 ● Britain at Its Best: Yehudi Menuhin conducts the Royal Philharmonic Orchestra to play Elgar, Britten and Vaughan Williams; 7.30pm; Mar 3
 ● Haydn in London: Raymond Leppard conducts the English Chamber Orchestra to play Haydn, Mozart and Vivaldi in a concert that marks the 200th anniversary of the composer's visit to London; 7.30pm; Feb 28
 ● Pierre Boulez 70th Birthday



Japan, Tastes and Tranquility: The Japanese Tea Ceremony, at the Musée Camus, Paris

Celebration: Boulez conducts the London Symphony Orchestra with violinist Kyung-Wha Chung to play Ravel, Bartók and his own 'Figures, Doubles, Prisms'; 7.30pm; Mar 2
 ● Tippett: Visions of Paradise. Sir Colin Davis conducts the London Symphony Orchestra with mezzo-soprano Maria Popescu and tenor Laurence Dale to play Tippett's 'The Mask of Time'; 7.30pm; Feb 26
Festival Hall Tel: (0171) 928 8800
 ● City of Birmingham Symphony Orchestra: with pianist Paul Crossley and the Ladies of the CBSO Chorus. Sir Simon Rattle conducts Stravinsky, Messiaen and Bartók; 7.30pm; Feb 25
 ● City of Birmingham Symphony Orchestra: with sopranos Faye Robinson and Cynthia Clarey and tenor Philip Langridge. Sir Simon Rattle conducts Pachelbel, Schoenberg and Tippett; 7.30pm; Mar 3
 ● Philharmonia Orchestra: Christoph von Dohnányi conducts Brahms' symphony No. 3 and No. 1; 7.30pm; Feb 27
 ● Pinchas Zukerman: Philip Ledger conducts violinist, Zuckerman and the English Chamber Orchestra to play Bruch and Beethoven; 3.15pm; Feb 26
 ● The London Philharmonic: Zubin Mehta conducts Wagner and Weber; 7.30pm; Feb 26
 ● The London Philharmonic: Franz Welser-Möst conducts Mozart, Bartók and Tchaikovsky; 7.30pm; Mar 2
Queen Elizabeth Hall Tel: (0171) 928 8800
 ● Carle Bley, Andy Sheppard and Steve Swallow-Triton: with poet and harmonium virtuoso Ivor Cutler. A mixture of chamber jazz and poetry; 7.45pm; Mar 3
 ● Piano Concerto Festival German Romantic: David Josefowitz conducts the London Soloists Chamber Orchestra to play Mendelssohn, Brahms, Schumann and Schubert; 7.30pm; Feb 28

THEATRE

Albany Tel: (0171) 876 1115
 As You Like It: by Shakespeare. Declan Donnell directs an all male cast that includes Adrian Lester and Richard Cant; 7.30pm; to Feb 2 (Not Sun)
Aldwych Tel: (0171) 838 6404
 Indian Ink by Tom Stoppard. With Felicity Kendal, Margaret Tyzack and Art Malik; from Feb 27 (Not Sun)
Barbican Tel: (0171) 638 8891
 New England: Richard Nelson's new play; 7.15pm; Mar 1, 2
Gielgud Tel: (0171) 494 5065
 Design for Living: by Noel Coward and directed by Sean Mathias; 8pm; (Not Sun)
Greenwich Tel: (0181) 858 7755
 The Duchess of Malfi: by John Webster, directed by Philip Frank. With Juliet Stevenson and Simon Russell Beale; 7.45pm; (Not Sun)
National, Cottesloe Tel: (0171) 928 2252
 ● Alice's Adventures Under Ground: adapted from the writings of Lewis Carroll by Christopher Hampton. A look into the darker side of a man known by millions as a storyteller for children; 7.30pm; Feb 25 (2.30pm) 27, 28
 ● Dealer's Choice: written and directed by Patrick Marber, six men step up to play poker, and win at all costs; 7.30pm; Mar 1, 2 (2.30pm) 3
National, Lyttelton Tel: (0171) 928 2252
 What the Butler Saw: by Joe Orton. Directed by Phyllide Lloyd, with John Alderton as Dr Prentice, and Richard Wilson as Dr Rance; 7.30pm; Mar 2 (7pm) 3
National, Olivier Tel: (0171) 928 2252
 ● The Merry Wives of Windsor: by Shakespeare. Terry Hands directs his first production at the National. With Denis Quilley as Falstaff, Brenda Bruce as Mistress Quickly and Geraldine Fitzgerald as Mistress Ford; 7.15pm; Feb 28; Mar 1, 2 (2pm) 3
 ● The Wind in the Willows: Edward Kemp's recreation of Nicholas Hynner's original production by Alan Bennett, adapted from the novel by Kenneth Grahame; 7.15pm; Feb 25 (2pm)
Shaftesbury Theatre Tel: (0171) 379 5399
 The Three Lives of Lucie Cabrol: adapted from John Berger by Mark Wheatley and Simon McBurney, who also directs. The Theatre de Complicité presents this violent love story; 7.30pm; to Feb 25 (Not Sun)

GALLERIES

Barbican Tel: (0171) 638 8891
 Impressionism in Britain: the first comprehensive survey of the development of Impressionism in Britain. Over 200 works by over 100 artists including Degas, Rothstein and Whistler; to May 7
British Museum Tel: (0171) 636 1555
 Byzantium: treasures of Byzantine art and culture from British collections; to Apr 23 (Not Sun)
Festival Hall Tel: (0171) 928 8800
 After Auschwitz: exhibition of paintings, sculpture and photography produced by 21 contemporary artists in response to the Holocaust; from Feb 26 to Apr 17
Hayward Tel: (0171) 261 0127
 Yves Klein: over 110 works conveying the full range of his output from paintings and sculpture to installations, events, architectural schemes to stage and film scenarios; to Apr 23
National Gallery Tel: (0171) 839 3321
 Spanish Still Life: from Velázquez to Goya. Exhibition of 16th-17th century Spanish paintings by artists such as Caravaggio and Zurbarán; to May 21
Royal Academy Tel: (0171) 439 7438
 Poussin: over 90 works by the French artist. Centrepiece of the exhibition are the two series of the 'Seven Sacraments'; to Apr 9
Serpentine Tel: (0171) 402 0343
 Man Ray: exhibition of works by the celebrated artist; to Mar 12
Tate Tel: (0171) 887 8000
 Willem de Kooning: a major exhibition featuring over 70 paintings drawn from private and public collections worldwide; to May 7
Victoria and Albert Tel: (0171) 938 8500
 Warworks: women photography and the art of war. A perspective of war through the eyes of international women artists; to Mar 18

OPERA/BALLET

English National Opera Tel: (0171) 632 8300
 ● Madame Butterfly: Puccini's opera, originally directed by Graham Vick; 7.30pm; Feb 28; Mar 3
 ● Rigoletto: Jonathan Miller's updated version of Verdi's opera where the duke is a mafia boss; 7.30pm; Mar 1
 ● The Cunning Little Vixen: by Leoš Janáček. Original director, David Pountney; 7.30pm; Mar 2
Royal Opera House Tel: (0171) 340 4000
 ● Der Rosenkavalier: by Strauss. Conducted by Andrew Davis, directed by John Schlesinger. Soloists include Felicity Lott/Anna Tomowa-Sliowa as Prinzess von Verdenberg; 8.30pm; Mar 1, 3
 ● Giselle: music by Adolphe Adam. A Royal Ballet production choreographed by Marius Petipa after Jean Coralli and Jules Perrot and produced by Peter Wright; 7.30pm;

OPERA/BALLET

English National Opera Tel: (0171) 632 8300
 ● Madame Butterfly: Puccini's opera, originally directed by Graham Vick; 7.30pm; Feb 28; Mar 3
 ● Rigoletto: Jonathan Miller's updated version of Verdi's opera where the duke is a mafia boss; 7.30pm; Mar 1
 ● The Cunning Little Vixen: by Leoš Janáček. Original director, David Pountney; 7.30pm; Mar 2
Royal Opera House Tel: (0171) 340 4000
 ● Der Rosenkavalier: by Strauss. Conducted by Andrew Davis, directed by John Schlesinger. Soloists include Felicity Lott/Anna Tomowa-Sliowa as Prinzess von Verdenberg; 8.30pm; Mar 1, 3
 ● Giselle: music by Adolphe Adam. A Royal Ballet production choreographed by Marius Petipa after Jean Coralli and Jules Perrot and produced by Peter Wright; 7.30pm;

OPERA/BALLET

English National Opera Tel: (0171) 632 8300
 ● Madame Butterfly: Puccini's opera, originally directed by Graham Vick; 7.30pm; Feb 28; Mar 3
 ● Rigoletto: Jonathan Miller's updated version of Verdi's opera where the duke is a mafia boss; 7.30pm; Mar 1
 ● The Cunning Little Vixen: by Leoš Janáček. Original director, David Pountney; 7.30pm; Mar 2
Royal Opera House Tel: (0171) 340 4000
 ● Der Rosenkavalier: by Strauss. Conducted by Andrew Davis, directed by John Schlesinger. Soloists include Felicity Lott/Anna Tomowa-Sliowa as Prinzess von Verdenberg; 8.30pm; Mar 1, 3
 ● Giselle: music by Adolphe Adam. A Royal Ballet production choreographed by Marius Petipa after Jean Coralli and Jules Perrot and produced by Peter Wright; 7.30pm;

Feb 25 (1pm)
 ● La Bohème: by Puccini. Conducted by Simone Young/Paul Wynne Griffiths, directed by John Copley. Soloists include Angela Gheorghiu/Amanda Thane as Mimì and Maria McLaughlin/Judith Howarth as Musetta; 7.30pm; Feb 28; Mar 2

THEATRE

Albany Tel: (0171) 876 1115
 As You Like It: by Shakespeare. Declan Donnell directs an all male cast that includes Adrian Lester and Richard Cant; 7.30pm; to Feb 2 (Not Sun)
Aldwych Tel: (0171) 838 6404
 Indian Ink by Tom Stoppard. With Felicity Kendal, Margaret Tyzack and Art Malik; from Feb 27 (Not Sun)
Barbican Tel: (0171) 638 8891
 New England: Richard Nelson's new play; 7.15pm; Mar 1, 2
Gielgud Tel: (0171) 494 5065
 Design for Living: by Noel Coward and directed by Sean Mathias; 8pm; (Not Sun)
Greenwich Tel: (0181) 858 7755
 The Duchess of Malfi: by John Webster, directed by Philip Frank. With Juliet Stevenson and Simon Russell Beale; 7.45pm; (Not Sun)
National, Cottesloe Tel: (0171) 928 2252
 ● Alice's Adventures Under Ground: adapted from the writings of Lewis Carroll by Christopher Hampton. A look into the darker side of a man known by millions as a storyteller for children; 7.30pm; Feb 25 (2.30pm) 27, 28
 ● Dealer's Choice: written and directed by Patrick Marber, six men step up to play poker, and win at all costs; 7.30pm; Mar 1, 2 (2.30pm) 3
National, Lyttelton Tel: (0171) 928 2252
 What the Butler Saw: by Joe Orton. Directed by Phyllide Lloyd, with John Alderton as Dr Prentice, and Richard Wilson as Dr Rance; 7.30pm; Mar 2 (7pm) 3
National, Olivier Tel: (0171) 928 2252
 ● The Merry Wives of Windsor: by Shakespeare. Terry Hands directs his first production at the National. With Denis Quilley as Falstaff, Brenda Bruce as Mistress Quickly and Geraldine Fitzgerald as Mistress Ford; 7.15pm; Feb 28; Mar 1, 2 (2pm) 3
 ● The Wind in the Willows: Edward Kemp's recreation of Nicholas Hynner's original production by Alan Bennett, adapted from the novel by Kenneth Grahame; 7.15pm; Feb 25 (2pm)
Shaftesbury Theatre Tel: (0171) 379 5399
 The Three Lives of Lucie Cabrol: adapted from John Berger by Mark Wheatley and Simon McBurney, who also directs. The Theatre de Complicité presents this violent love story; 7.30pm; to Feb 25 (Not Sun)

GALLERIES

Barbican Tel: (0171) 638 8891
 Impressionism in Britain: the first comprehensive survey of the development of Impressionism in Britain. Over 200 works by over 100 artists including Degas, Rothstein and Whistler; to May 7
British Museum Tel: (0171) 636 1555
 Byzantium: treasures of Byzantine art and culture from British collections; to Apr 23 (Not Sun)
Festival Hall Tel: (0171) 928 8800
 After Auschwitz: exhibition of paintings, sculpture and photography produced by 21 contemporary artists in response to the Holocaust; from Feb 26 to Apr 17
Hayward Tel: (0171) 261 0127
 Yves Klein: over 110 works conveying the full range of his output from paintings and sculpture to installations, events, architectural schemes to stage and film scenarios; to Apr 23
National Gallery Tel: (0171) 839 3321
 Spanish Still Life: from Velázquez to Goya. Exhibition of 16th-17th century Spanish paintings by artists such as Caravaggio and Zurbarán; to May 21
Royal Academy Tel: (0171) 439 7438
 Poussin: over 90 works by the French artist. Centrepiece of the exhibition are the two series of the 'Seven Sacraments'; to Apr 9
Serpentine Tel: (0171) 402 0343
 Man Ray: exhibition of works by the celebrated artist; to Mar 12
Tate Tel: (0171) 887 8000
 Willem de Kooning: a major exhibition featuring over 70 paintings drawn from private and public collections worldwide; to May 7
Victoria and Albert Tel: (0171) 938 8500
 Warworks: women photography and the art of war. A perspective of war through the eyes of international women artists; to Mar 18

OPERA/BALLET

English National Opera Tel: (0171) 632 8300
 ● Madame Butterfly: Puccini's opera, originally directed by Graham Vick; 7.30pm; Feb 28; Mar 3
 ● Rigoletto: Jonathan Miller's updated version of Verdi's opera where the duke is a mafia boss; 7.30pm; Mar 1
 ● The Cunning Little Vixen: by Leoš Janáček. Original director, David Pountney; 7.30pm; Mar 2
Royal Opera House Tel: (0171) 340 4000
 ● Der Rosenkavalier: by Strauss. Conducted by Andrew Davis, directed by John Schlesinger. Soloists include Felicity Lott/Anna Tomowa-Sliowa as Prinzess von Verdenberg; 8.30pm; Mar 1, 3
 ● Giselle: music by Adolphe Adam. A Royal Ballet production choreographed by Marius Petipa after Jean Coralli and Jules Perrot and produced by Peter Wright; 7.30pm;

OPERA/BALLET

English National Opera Tel: (0171) 632 8300
 ● Madame Butterfly: Puccini's opera, originally directed by Graham Vick; 7.30pm; Feb 28; Mar 3
 ● Rigoletto: Jonathan Miller's updated version of Verdi's opera where the duke is a mafia boss; 7.30pm; Mar 1
 ● The Cunning Little Vixen: by Leoš Janáček. Original director, David Pountney; 7.30pm; Mar 2
Royal Opera House Tel: (0171) 340 4000
 ● Der Rosenkavalier: by Strauss. Conducted by Andrew Davis, directed by John Schlesinger. Soloists include Felicity Lott/Anna Tomowa-Sliowa as Prinzess von Verdenberg; 8.30pm; Mar 1, 3
 ● Giselle: music by Adolphe Adam. A Royal Ballet production choreographed by Marius Petipa after Jean Coralli and Jules Perrot and produced by Peter Wright; 7.30pm;

OPERA/BALLET

English National Opera Tel: (0171) 632 8300
 ● Madame Butterfly: Puccini's opera, originally directed by Graham Vick; 7.30pm; Feb 28; Mar 3
 ● Rigoletto: Jonathan Miller's updated version of Verdi's opera where the duke is a mafia boss; 7.30pm; Mar 1
 ● The Cunning Little Vixen: by Leoš Janáček. Original director, David Pountney; 7.30pm; Mar 2
Royal Opera House Tel: (0171) 340 4000
 ● Der Rosenkavalier: by Strauss. Conducted by Andrew Davis, directed by John Schlesinger. Soloists include Felicity Lott/Anna Tomowa-Sliowa as Prinzess von Verdenberg; 8.30pm; Mar 1, 3
 ● Giselle: music by Adolphe Adam. A Royal Ballet production choreographed by Marius Petipa after Jean Coralli and Jules Perrot and produced by Peter Wright; 7.30pm;

Staatsballet production with choreography by John Cranio and conductor by André Presser; 7.30pm; Feb 26

NEW YORK

CONCERTS
Alice Tully Hall Tel: (212) 875 5050
 The Concordia Orchestra: country meets the classical. Concert featuring the New York premiere of virtuoso fiddler Mark O'Connor's fiddle concerto for violin and orchestra; 8pm; Mar 2
Avery Fisher Tel: (212) 875 5030
 New York Philharmonic: with baritone Dmitri Hvorostovsky and conductor Valery Gergiev plays an all Russian programme of Mussorgsky and Rimski-Korsakov; 8pm; Mar 2, 3

GALLERIES

Guggenheim Tel: (212) 423 3652
 Felix Gonzalez-Torres: a survey of the contemporary artist's multi-media art form; from Mar 3 to May 10
 ● Ross Bleckner: mid-career retrospective of the American artist consisting of approximately 75 paintings and works on paper; to May 14
Guggenheim Soho Tel: (212) 423 3652
 Antoni Tàpies: 55 leading Spanish artist's most important works dating from 1946 to 1991; to Apr 23
Metropolitan
 ● Early Renaissance Florence: 100 panel paintings and manuscript illuminations by masters of the Gothic style; to Feb 28 (Not Mon)
 ● The Kismet of New Britain: Photographs by Philip Daric: reveals the art, performance and daily life of the Kikongo people from the North West coast of New Britain, east of New Guinea; to Jul 28
 ● Thomas Eakins: exhibition honoring the 150th anniversary of the birth of the artist. This installation of about 30 works from the museums holdings explores the museums continuing interest in Eakins; to Feb 28
Museum of Modern Art Tel: (212) 708 8400
 Kandinsky: Compositions: exhibition featuring approximately forty works including seven of the surviving 'Composition' paintings; to Apr 25
Whitney Museum
 Franz Kline: Black and White 1950-61: major Abstract Expressionist works from the last decade of the artist's life; to Mar 12

OPERA/BALLET

Metropolitan Tel: (212) 362 6000
 ● Der Rosenkavalier: by Strauss. Produced by Nathaniel Merrill, conducted by James Levine; 7.30pm; Mar 1
 ● La Traviata: by Verdi. Produced by Franco Zeffirelli, conducted by John Fiori; Feb 25 (1.30pm) Mar 2
 ● Simon Boccanegra: by Verdi. A new production directed by Giancarlo del Monaco; 8pm; Feb 25, 28; Mar 3
 ● Turandot: by Puccini. Produced by Franco Zeffirelli, conducted by Nello Santi; 8pm; Feb 27
THEATRE
47th Street Tel: (212) 307 4100
 Jelly Roll adapted by Vernel Bagneris who also stars in this look at the musical life of Jelly Roll Morton; 8pm; from Feb 25 (Not Sun)
Circle in the Square Tel: (212) 239 6200
 Uncle Vanya: by Chekhov. Cast includes Tom Courtenay, Amanda Donohoe and James Fox; 8pm
Jean Cocteau Repertory Tel: (212) 677 0050
 The Cherry Orchard: by Chekhov. A new production directed by Eve Adamson; 8pm; to Mar 3
Joseph Papp Public Theatre Tel: (212) 598 7150
 The Merchant of Venice: by Shakespeare. Directed by Barry Edelstein, and with Ron Leibman playing Shylock; 8pm; (Not Mon)
Roundabout Theatre Company Tel: (212) 669 8400
 The School for Husbands: by Molière. Michael Langham directs Richard Wilbur's translation and stars Brian Bedford; 8pm; to Mar 12 (Not Mon)
Variety Arts Tel: (212) 239 6200
 Death Defying Acts: three one act plays by Woody Allen, David Mamet and Elaine May. Directed by Michael Blankenheim and with Linda Lavin, Debra Monk and Paul Giamatti; 8pm; from Mar 6 (Not Mon)

WASHINGTON

CONCERTS
Kennedy Centre Tel: (202) 467 4600
 ● James Galway: flutist with harpsichordist Phillip Moll plays Bach and Handel; 8pm; Feb 25
 ● Kodo Drummers of Japan: thunderous Japanese percussion company; 7pm; Feb 27
National Symphony Orchestra
 with cellist Carter Bray. Hugh Wolff conducts Mozart, Bartók and Dvořák; 7.30pm; Mar 2, 3

GALLERIES

National Gallery Tel: (202) 737 4215
 Italian Renaissance Architecture: Brunelleschi, Sangallo, Michelangelo, the Cathedrals of Florence, Pavia and St. Peter's; to Mar 19
OPERA/BALLET
Kennedy Centre Tel: (202) 467 4600
 ● Hansel and Gretel: by Humperdinck/Rick McCullough. A production by the Washington Ballet; 7.30pm; Feb 25 (2pm) 28 (2pm)
 ● Manon: by Massenet/MacMillan. An American Ballet Theatre production; 8pm; Feb 28; Mar 1, 2
THEATRE
Arena Stage Kreger Theatre Tel: (202) 554 9066
 Hedda Gabler: Henrik Ibsen's drama, directed by Liviu Ciulei and translated by Christopher Hampton; 7.30pm; to Mar 19 (Not Mon)
Folger Theatre Tel: (202) 544 7077
 Private Lives: by Noel Coward. A Folger Shakespeare Library and Interact Theatre Company production. Pat Carroll directs this comedy of many mazes; 7.30pm; to Mar 12 (Not Mon)
Ford's Theatre Tel: (202) 347 4833
 A Raisin in the Sun: Set Scott directs Lorraine Hansberry's award winning drama of an African American family's struggle to achieve the American dream; 7.30pm; (Not Mon)
 ● Horizon's Tel: (202) 519 9123
 Kindertransport: by Diane Samuels. Jane Latham directs a moving play about the repression of memories in Nazi Germany and the survival of a woman and her relationships; 8pm; to Apr 4
 ● Shakespeare Tel: (202) 383 2700
 Love's Labour's Lost: by Shakespeare. Directed by Laird Williams; 8pm; to Mar 19 (Not Mon)
Studio Theatre Tel: (202) 332 3300
 Conversations with My Father: Herb Gardner's autobiographical work, directed by John Gering. Sun 2pm and 7pm otherwise; 8pm; to Feb 28 (Not Mon)

PARIS

CONCERTS
Champs Elysées Tel: (1) 47 23 37 21/47 20 08 24
 ● National Orchestra of France: with soprano Yvonne Kenny, tenor Anthony Rolfe-Johnson and baritone Gerald Finley. Arnold Oestman conducts Haydn's 'La Création'; 8pm; Mar 2
 ● Orchestre du Centre National des Arts du Canada: Trevor Pinnock conducts Schubert, Haydn, Bouchard and Mendelssohn; 8.30pm; Feb 27

GALLERIES

Galerie Schmitt Tel: (1) 42 60 36 36
 From Delacroix to Matisse: exhibition including the works of Delacroix, Matisse, Picasso and Degas; to Apr 13
Georges-Pompidou Tel: (1) 42 77 12 33
 ● Bresset: works by the French photographer; to Apr 3 (Not Sun)
 ● Louise Bourgeois: retrospective of drawings; to Apr 17
 ● The African Collection of Magnelli: African sculptures and masks collected by Susi Magnelli; to Mar 20
Musée Camus Tel: (1) 45 63 50 75
 Japan, Tastes and Tranquility: The Japanese Tea Ceremony: the historical and philosophical development of the Japanese ceremony; to May 14 (Not Sun)
Musée d'Art Moderne, Ville de Paris Tel: (1) 47 23 61 27
 André Derain: 350 works spanning his entire career; to Mar 19 (Not Mon)
Musée d'Orsay Tel: (1) 45 49 11 11
 James McNeill Whistler: exhibition of works; to Apr 30

OPERA/BALLET

Opéra National de Paris, Bastille Tel: (1) 47 42 57 50
 La Damnation de Faust: by Berlioz. Conducted by Myung-Whun Chung and produced by Luca Ronconi. Soloists include Béatrice Uria-Monzon as Marguerite, and Thomas Moser/Guy Lelias as Faust; 7.30pm; Feb 25, 28; Mar 2

ROME

OPERA/BALLET
Teatro Dell'Opera Tel: (06) 481601
 Così Fan Tutte: by Mozart. The Royal Opera House, London staging directed by Jonathan Miller comes to Rome with conductor Evelino Pido; 8.30pm; Feb 26 (4.30) 28

STRASBOURG

OPERA/BALLET
Opéra du Rhin Tel: (33) 88 75 48 00
 Orphée et Eurydice: by Gluck. Produced by Moshe Leiser and Patrice Caulier, conducted by Louis Langrée; 8pm; Mar 2

STUTTGART

OPERA/BALLET
Staatstheater Stuttgart Tel: (071) 197034
 The Barber of Seville: by Rossini. Conducted by Gabriele Ferro, produced by Beat Fähr; 7.30pm; Mar 2

TURIN

OPERA/BALLET
Teatro Regio Tel: 011 8815 241
 ● A Midsummer Night's Dream: music by Britten, book by Shakespeare. Conducted by John Mauceri, directed by Alfredo Arias. In English; 8.30pm; Mar 3
 ● Simon Boccanegra: by Verdi. Conducted by Daniel Oren, directed by Sylvano Bussotti; 8.30pm; Feb 28

WASHINGTON

CONCERTS
Kennedy Centre Tel: (202) 467 4600
 ● James Galway: flutist with harpsichordist Phillip Moll plays Bach and Handel; 8pm; Feb 25
 ● Kodo Drummers of Japan: thunderous Japanese percussion company; 7pm; Feb 27
National Symphony Orchestra
 with cellist Carter Bray. Hugh Wolff conducts Mozart, Bartók and Dvořák; 7.30pm; Mar 2, 3

GALLERIES

National Gallery Tel



Peter Aspden

Reality cheque from the old school

A very important letter from a former philosophy tutor brings enlightenment

The bulk of my postbag at home does, sadly, consist of life insurance offers, mini-cab numbers and take-away pizza mailshots. It is the thankless price of leading an anonymous life in the post-modern inner city, and all that sort of thing. But every so often, something pops in which warms the heart and stirs the soul, and makes it all seem worthwhile. It happened to me just a couple of weeks ago.

It was a letter from my old college, in fact from the principal of my old college. It was a little formal, as you might expect, but the tone of his missive worried me not a jot: for he had big news to impart. I would be receiving

within the next few days, he said, a Very Important Letter which I ought to consider carefully before responding.

Normally, I would not have fallen for this. I would usually file such a letter in the category I reserve for those horrible notes which begin: "I know it is not very pleasant, but have you ever stopped to think about what would happen if your right arm was left hanging by a sliver of flesh from your shoulder in a hideous industrial injury?"

But this was different: this was the principal of my old college, who, you ought to know, was also my philosophy tutor. We spent hours on end staring out of the window of his study talking about,

well, the most important things one can talk about. The existence of God; the rightness of our actions; the nature of knowledge; the definition of happiness. During the course of one dinner, he taught me the correct way to pass the port (to the left - or was it right?). This was no trivial relationship.

So when he told me about the forthcoming Very Important Letter I became uncommonly excited. Had he and his chums discovered the meaning of life? The path to truth? The definitive ingredients of the virtuous life? Whatever it was, he was about to tell me, even though I left college such a long time ago. I could hardly wait.

Well, a few days ago, the letter arrived. I have to say it was some-

thing of a disappointment. It was written by the chief executive of a Very Important Bank, who had also been at my old college, and it was full of things about money. In short, my old college was feeling the pinch, I was perceived as having a surplus, and could I possibly lend a hand, old boy? It added that within a few days, I would be receiving a phone call from a Very Humble Student asking for my response. Not a thing about truth or beauty, just a few doodlings on tax-free contributions and the like. I guess I was a bit naive. If I had been living in the US, where the cut-and-thrust of scholarly debate was long ago joined by the thrust-and-thrust of professional money-raising, I would not have been in

the least bit surprised by this turn of events.

But I am not convinced that we English get it quite right. A friend of mine told me that his university - I have to be discreet, let us call it C**bridge - used a similar softening-up process, only for the ultimate letter of appeal to come from that well-known beacon of gravitas, Clive Anderson.

Well, he is a charming man and a very intelligent one too, but it is not obvious why his laconic tones should persuade anyone to part with money for the sake of higher scholarship.

In the meantime, there is that phone call to look forward to. I am feeling pretty groggy already, what with my former philosophy

tutor and the chief executive of a Very Important Bank joining forces in a veritable double whammy of lofty thought and hard-nosed pragmatism to urge me to dip into my pocket.

How will I react? There is so much to which I want to contribute - Save the Whale, Bosnia, the man who seems to live inside Mansion House tube station, comfy chairs for real calves, meals-on-wheels, multiple sclerosis research, a selection of chronically-underfunded schools and hospitals in my immediate vicinity, and so on, and so on. How can I possibly make a rational decision? Perhaps I should write to my old philosophy tutor for advice, but then again...

Helma Holt. The First Lady of British theatre, is strictly informal. "We'll talk in the bedroom," she said on the telephone. "It's always best to."

The voice was suggestive of unnameable delights. "The bedroom" is the bedroom of the top-floor flat in London's Aldwych where the actor-composer Ivor Novello once lived and where Holt, a theatrical producer, has her office.

After finishing her serious business next door, the impresario floated into Novello's bedroom in a billow of grey silk.

"It's a Miyake," she said. "It's always a Miyake... I mean, they're the easiest things in the world to wear. You wash them and fling 'em over. There's no ironing at all." The dress designer Issey Miyake is a schoolmate of one of Holt's favourite directors, Yukio Ninagawa.

Her voice was as girlish as a RADA debutante's. She can also sound like a landlady.

Holt sank on to the bed, drawing up her feet, tilting her feline face and focusing her big brown eyes with a cheerfully contrived skittishness.

It would have been interesting to talk about love with the nicely-arranged and much-married Holt. But it was not love I had come to discuss, nor even her current West End production, *The Clandestine Marriage*, but money - in particular, her rumoured genius for wringing large sums out of rich men and institutions.

To outsiders she plays the eccentric. What you will read about her is that she eats garlic sandwiches, stacks champagne in the washing machine, hitches lifts on dustcarts and forgets her knickers on first nights. She likes to dwell on her Dionysian appetites and devoutly Catholic practices. In a *Who's Who* of the theatre she lists her recreation as "talking to God".

Holt was recently appointed chairman of the drama advisory panel of the Arts Council, so I asked her why governments should subsidise the arts at all. Do governments create culture?

"No, people. But governments have the responsibility to help sustain it - as indeed the people who create it help sustain it. I mean artists subsidise the arts."

Subsidy for the flagships such as the National Theatre and Royal Shakespeare Company was quality for money and encouragement for the little vessels, she said.

As for sponsorship, it had been wrong of the government to "dump its responsibility on big business, because big business may not want to do it".

Modern businessmen were not like medieval artistic patrons. "Princes were not answerable to shareholders. The chairman of a multinational is, and before he can start giving it away, he's gotta make it."

"In the real world we do not mind about his executive jet as long as the dividends are coming in. The moment they don't declare an interim dividend in October, we want the jet sold."

Holt had given up her Cleopatra posture and had feet firmly planted on the floor. Sponsorship, she said, was not enough to keep a theatre going. Its value to the donor was short-lived, however good the shows.

"I know about sponsorship



Photograph: Ashley Ashwood/Montage: Andy Meers

Private View / Christian Tyler

When money mirrors love

because I've had plenty of it. It's very hard to get and I'm very grateful when I get it. But I know that nobody is going to stay with me for ever. As if suddenly aware of the *double entendre*, she added: "He gets bored with me and wants another one."

Holt has experienced theatre finance from every conceivable angle. Trained at RADA, she was an actress before founding, with Charles Marowitz, the Open Space theatre in 1968. There, in a Tottenham Court Road basement, she was a manager of frantic courage who occasionally performed Shakespeare in the nude.

She says now she was not a great actress. "I could be standing onstage at the Open Space at some dramatic moment with tears flowing down my cheeks, and counting the numbers in the audience."

In 1971 she became director of the Round House theatres in Chalk Farm. There she learned how to deal with the late Robert Maxwell, their treasurer and benefactor, and developed her pioneering work as

an importer of foreign productions, notably the Rustavelli company of Soviet Georgia.

She spent the 1980s at the National Theatre in charge of tours, foreign seasons and West End transfers, and five years ago crossed the river to become a commercial producer.

Her next venture is Chekhov's *The Seagull*, with the Rustavelli's Robert Sturua directing, and the 14 "angels", or theatrical investors, who regularly finance her.

They include Anthony Field, former director of the Arts Council, Cameron Mackintosh, the musical impresario, an offshore investment company, an American lady ("she just loves the theatre and wrote me a lovely letter"), a large law firm and a retired bookie.

And do they do it for love, or money? Both, said Holt. Her first commercial production was Chekhov's *Three Sisters* starring three Redgrave women, which made a lot of money. But they lost a combined £83,000 on her *Much Ado About Nothing*. She herself lost £50,000.

How do you lose £50,000 and not end up sleeping on the streets?

"We hired me out."

"We hired me out," she repeated slowly.

What do you mean?

"I'm the only asset we've got. If we're short of money we have to hire me out, rent me." She meant working on contract for others.

By "we", Holt means principally her deputy, Malcolm Taylor, her general manager, Jeremy Adams, and her assistant, Sweetpea Slight. Sweetpea started life as Jane but Holt rebaptised her.

Among present or former Holt backers are Cyril Stein of Ladbrokes, the oil company Arco, Sir Andrew Lloyd Webber, Lord Rayne, Sir Peter Parker and what she calls "the Schröder people".

"I had a sort of passing thing with Tiny Rowland but it didn't come to anything."

The sexual imagery again. I asked what she meant. "Well, I opened a can of peas to see if I could interest him in something,

but it didn't work out."

You seem to have a way with you, I said.

"I think it's personal. I think if you passionately believe in something people can recognise it. And it fires an enthusiasm in them."

Do you think of yourself as tough?

"No, I'm not."

People say you act theatrical but are tough underneath.

"I probably am theatrical but I'm not tough at all. I'm very very easily hurt - but not in a stupid way, but because I expect from others what I give."

"It's bad to say good things about yourself. I'm bloody-minded, and I could give you a long list of bad things. But I can tell you two good things: I am not small, I'm generous. I rate loyalty higher than any other quality other than talent."

Where are you vulnerable?

"I trust too easily and too much. I trust people to have similar moral standards to my own. I am deeply shocked by bad behaviour. I don't get nasty or seek revenge. I just

won't work with them. I don't argue; they just cease to exist. And I think that's a silly quality which I should have grown out of."

Are you trying to make money?

"Oh no! Only sufficient to continue. Not for any other purpose. If I were going to be smitten with that one, it would have happened a long time ago and I would now be rather bitter, because I certainly haven't succeeded in doing that."

So what are you trying to do?

"Enjoy myself."

It's a complicated way of enjoying yourself. "Yes, but I know no other." She put on her little-innocent voice.

There are other ways of having a nice time.

"Like what?"

You could live off a rich man.

"I've done that. Bored with that one."

She went on: "No, I like going down on the beach with my own bucket and spade and building my sandcastle, not somebody else's. If the tide comes in and washes it out, I build another."

Letter from Hong Kong

Last days of the raj

From the 31st floor of the revamped Peninsula Hotel, sitting in a jacuzzi, surrounded by bubbles, marble and glass, one eye on the bathroom television the other on the ships in the harbour below, Hong Kong seemed its usual self - brash, colourful, vibrant, outrageous.

Down in the marvellous lobby, the string quartet was in full swing as the entire world, some in jenns, some in Chanel, queued for tea. On the top floor, in a flashy new restaurant designed by Philippe Starck, the French doyen of the matt-black crowd, Hong Kong yuppies were tasting Pacific rim *nouvelle cuisine*.

The \$200m (£125m) refurbishment of the colony's most famous hotel - including two heli-pads on the roof and the most advanced high-tech gadgets in each room leading one American to remark you had to be very intelligent to stay in a hotel these days - is the talk of the town. It is also, officially at least, seen as the latest vote of confidence in the colony's future once it goes back to China in July 1997.

At breakfast, in the Verandah, an Italian was in agitated conversation about investing in the camellia oil business. The local paper spoke of golden prospects for property after 1997. Everyone was talking up business in this very cosmopolitan and yet very Chinese city where money remains king.

But you do not have to be an ostrich to feel the tension in the air. The signs are everywhere.

In her small *haute couture* workshop just off Nathan Road, Hong Kong's answer to Oxford Street, Priscilla Chen was completing her

Antiques are a barometer of mood - currently 'the best deal in town'

new address book. "It seems everyone now has two or three addresses," she said in best upper crust English. Not just Hong Kong, but Vancouver, New York, London, Paris.

It was refreshing to hear the fashion designer, taught at her Hong Kong English girls school to be "a citizen of the world", talk frankly about the uncertainties of 1997.

"Any sort of change brings fears," she said simply. But change is a way of life for most Chinese. "We all landed here with our little parcels. My father came from Shanghai. We've always had change, and just as we get comfortable here we go again."

She will not be moving. But like so many Hong Kong Chinese, she is not happy with the transition. There are black marks on both sides. No illusions about the Beijing authorities' irritation at the way the British are handling things.

Fanny also talked frankly. She is Taiwanese, holds Hong Kong residence and wonders whether to opt for the British National Overseas passport or the Chinese one. She claimed some friends with BNO passports got no help from the British embassy in Beijing when they happened to be in the Chinese capital during the Tiananmen Square riots.

"As a graduate I can apply for Singapore citizenship. Maybe I'll do that since Singapore is keen to attract young graduates," she said. Above all, she explained, what people craved was security.

In the Hong Kong Club, bastion of the Hong Kong raj, where lamb is still served with recumbent jelly and mini sauce, an English banking friend said he had just bought a house in New Zealand. Not for the lamb but because it was the "ultimate bolt-hole", he explained, nose in the claret.

Antiques are another barometer of mood. A professional shopping consultant advised me that they were the best deal in this shopping crazed town. Smuggled objects from China have been flooding the Hong Kong market driving down prices. But they are likely to rise again after 1997 when the Chinese are expected to impose the same stringent ban on exports as in China.

One of the more reputable dealers in Hollywood Road, the Portobello of Hong Kong, had a good stock of dinosaur eggs but they were heavier than cannon balls. I opted instead for a 2,100-year-old Han dynasty head of a terracotta soldier and a 500-year-old Ming statue of an attendant all for a little more than \$500.

A steal, I was told, as the dealer handed me two certificates starting with the ominous words "to the best of my knowledge..." But he reassured me by saying Chris Patten was a good customer, and Michael Heseltine and Madame Pompidou had also bought from him.

The governor is apparently building up a good collection. The Chinese will have the last laugh, however, should he discover they are fakes.

Paul Betts

It is curious fact that the leading German financial daily, *Handelsblatt*, has not published a single editorial on the European single currency this year. In Britain most serious newspapers have produced about 10. This is, on the face of it, odd. Britain, along with Denmark does not have to join in, even though it might be eligible to do so.

For most governments the project was one of those Euro-ideas to which full assent had to be given because it seemed like a good thing and might make their lives easier. As usual, the excitable British got carried away by questions of theory and philosophy while their continental neighbours made *ad hoc* decisions based on the pressures of the moment.

Only the French try occasionally to dress it all up: an article in *Le Monde* last month about the Mexican crisis argued that that affair strengthened the case for a single currency. This view was apparently based on the simple notion that if Mexico had not had its own currency, it would not have

collapsed. If you have no car, you can never crash it.

The theory of a single currency arouses little or no interest on the continent. And, as is usual in Euro-matters, that lack of interest is masked by high-flown declarations, expressions of intent to solve outstanding problems and promises of full implementation of whatever needs to be fully implemented. This is partly because nothing will happen until 1997 at the earliest and not even then.

The British have never understood that the rhetoric of European Unity provides a veil for inaction. "Action" at present consists of designing new banknotes and considering the alterations that might be necessary for automatic cash machines.

When the single currency comes,

As They Say In Europe / James Morgan

Emu with its head in the sand

it will not be, for many, the nightmare that the British envisage. The Luxembourg franc will be buried in an ecu rather than a Belgian franc, as at present. Ireland would finally rid itself of any residual entanglement with sterling.

For others the single currency will constitute a useful step along a road which has been clear for decades.

In the Netherlands there is no conflict between Germany in one's monetary lot with Germany while continuing to dislike Germans. The Dutch want to cut out all those tedious formalities that complicate the business of taking money off their rich neighbours.

The Portuguese want to stuff their wallets with something more reliable than the tatty escudo. The French fancy the idea of trying to

run a Euro-currency rather than letting the Germans have all the fun. They reasonably believe that the existing *de facto* European single currency, the *deutschemark*, should be denationalised.

Sovereignty, the obsession of the British, for most countries does not consist of fixing interest rates. And the British fail to see that a reduction in sovereignty, when it comes to fiscal matters, is no bad thing.

After all, if the Congress in Washington can contemplate cutting its fiscal powers by enacting a balanced budget law, it is not surprising that some European governments want to hand over difficult decisions to someone else.

The Maastricht criteria for economic convergence provide the perfect cover for them to impose fiscal decisions that they would other-

wise be too weak to achieve. And since sovereignty in financial and fiscal matters has often been disastrous, many would rather chuck it rather than going on making a mess of things.

Thus those governments which outstandingly failed to develop a comprehensive economic policy are regarded as the model for a future single currency. Germany traditionally has nothing more than a *Stabilitätspolitik*, in effect a non-policy.

The proud boast of the Bundesbank is that it never takes unemployment or production levels into account when changing interest rates. Switzerland is another ideal economy and Swiss sovereignty remains both unlimited and unexercised.

Handing monetary decision mak-

ing over to a disembodied treaty reminds one that the Ten Commandments were a good idea too. And they too had to be tacked on to ideas about heaven in order to make them palatable to the recalcitrant masses. Thus the Maastricht criteria were bundled up with the vision of a single currency, even though they were admirable in their own right.

In Britain the government is pursuing the policy demanded by Maastricht. As a result the economy is doing rather well. It is legitimate to be sceptical about the creed of others who turn the practice of virtue into a teleological exercise - in truth the single currency is neither an end nor an essential culmination of the Maastricht process - but no harm in letting them get on with it.

Agnosticism is legitimate because cross-border currency unions fall apart (Malaysia-Singapore, east Africa and so on). The continentals may or may not succeed. Why not wait and see?

James Morgan is economics correspondent of the BBC World Service.

صلى الله عليه وسلم

Weekend Investor

Wall Street

London

More of a sigh than a sonic boom

Maggie Urry reflects on the week that saw the Dow index finally crack the 4,000 level

Wall Street finally made it through the 4,000 level on the Dow Jones Industrial Index this week, although the accompanying sound was more of a sigh than a sonic boom.

After falling narrowly the week before, it started another assault on the peak on Monday. It climbed every day until, on Thursday, it jumped up to 4,020.49 during the day. The steam then seemed to go out of the market and, minutes before the close, it dipped below 4,000, regaining the summit at the very end.

What pushed the index through the barrier was an over-optimistic interpretation of the Federal Reserve's position on interest rates.

Alan Greenspan, its chairman, gave evidence on Wednesday and Thursday to congressional committees at which he said: "We expect growth to continue and inflation to be contained." He even said he could force the Fed easing interest rates.

Greenspan - who has been dubbed Greenspan the Terrible for his tough line on inflation - was taken to mean that he was less hawkish on inflation and that the longed-for soft landing for the economy was now at hand.

Perhaps, the market thought, the Fed would not increase interest rates again from the present 6 per cent.

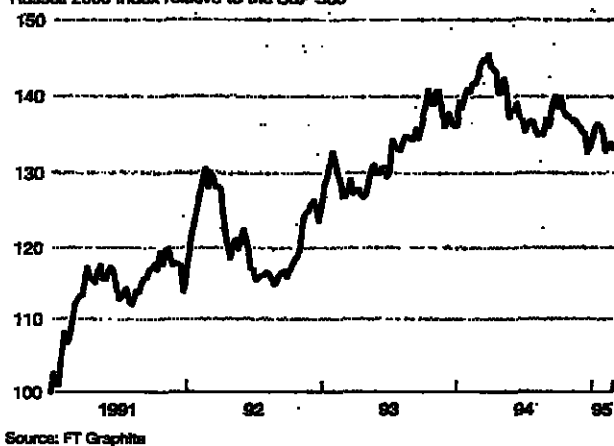
That would be a significant change from the general view that rates will rise again - at least once, perhaps twice - by May. And it was that thought which pushed up the bond market - the long bond rose nearly a point on Wednesday afternoon, cutting the yield to just over 7½ per cent. The stock market followed, reaching its peak just as the bond market was beginning to think again and fall back.

What reversed the bond market's thinking again was a remark from Alan Blinder, the Fed vice-chairman, who said it still needed more evidence of a slowing economy before it stopped raising rates. The bond market sagged and ended Thursday lower.

There is another concern for investors raised by Greenspan's remarks. Does he know something we do not? He is unlikely to have better information about the strength of the economy than is available generally from the published statistics. As Eric Miller, chief

Small-cap stocks' performance

Russell 2000 Index relative to the S&P 500



Source: FT Graphite

investment officer at Donaldson, Lufkin & Jenrette, says: "The Fed has never been a superior economic forecaster."

Does the apparent softening of the line on inflation mean that there are other worries facing the authorities - such as the impact higher interest rates could have on the banking system? That worry had been eliminated but could now return.

The markets have largely ignored the weakening dollar, too. The Fed is less likely than other central banks to use higher interest rates to defend the currency. But the problem of financing a rising trade deficit must be confronted by the market sooner or later.

Also a worry is the level of short positions in the market. These are built up when investors sell shares they do not own in the expectation that stock prices will decline. They reached a record high recently - like the Dow - suggesting a fall is anticipated.

On the other hand, if the market does not fall, those traders will have to close the short positions by buying shares - and that could turn a rally into a sharp run-up.

One feature of the market since it failed to reach 4,000 early last year has been the relative underperformance of the small-capitalisation stocks compared with the large stocks. As the chart shows, the small-cap stocks in the Russell 2000 index had been beating the bigger S&P 500 stocks while the market was rising in the early 1990s.

Since mid-March last year, though, the Russell index has been falling back in relative terms. And while the leading

indices are at record levels, small-cap stocks are still below their peaks. Now, opinions are sharply divided over where they are going.

Small-cap stocks have been popular because of the simple notion that it is easier for a small company to grow than a large one. But smaller companies' shares often are considered to be higher risk, both inherently and because they are supposedly hard to trade.

Salomon Brothers is now suggesting that small-cap stocks will continue under pressure, citing the "January effect". This says that if small stocks do not outperform large stocks by more than 1 per cent in January, then they will continue to underperform. This year, the Russell index only just beat the S&P 500, which Salomon says points to a lacklustre performance ahead.

Richard Holt, who manages a small-cap fund at Pimco, an asset management company, suggests a number of reasons why they should do better. First, investors who earlier put their "risk" money into emerging markets are now bringing that money back and may buy small-cap stocks to spice up their portfolios.

Second, he says, the emphasis by fund managers on the big names may lessen as confidence rebuilds. He thinks they will look for - and find - good value among the smaller stocks.

Dow Jones Ind Average

| Monday | market | closed |
|-----------|----------|--------|
| Tuesday | 3,968.97 | +10.43 |
| Wednesday | 3,973.05 | +9.08 |
| Thursday | 4,003.33 | +30.28 |
| Friday | | |

UK investors suffer GI blues

Philip Coggan finds British shares on short rations

This week revived memories of the second world war as British investors cast an envious eye at their US cousins, whose shares are over their previous highs, over 4,000 on the Dow and over the moon.

In London, the stock market this week has acted as if it were under anaesthetic. The FT-SE 100 failed to gain much succour from Wall Street's rally; by Thursday's close, the index was nearly 950 points below the Dow. Back in 1985, believe it or not, Footsie was higher than its Wall Street counterpart.

London has underperformed New York pretty steadily since the start of 1994, even though it was higher US interest rates which took the blame for last year's stock market falls. Those who believe that markets are driven by liquidity, such as Robin Aspinall of Panmure Gordon, say this is due to US money - which fuelled the world stock market rally of 1993 - staying at home.

By the close yesterday, Footsie had dropped to 3,937.7, down seven points on the week and just below the middle of its recent 2,950-3,150 range. It is down around 0.9 per cent from its opening-1995 level.

If the market indices were unexciting this week, at least investors had plenty of corporate news to entertain them. Top of the list must be the conglomerate Hanson, which announced a spin-off of its "non-core" US businesses.

Hanson shareholders will receive shares in demerged group, called US Industries, tax-free on a one-for-100 basis; for those many small investors who receive fewer than 100 new shares (which will pay no dividend and will not have a UK listing), Hanson is providing a low cost dealing facility.

The demerged group will comprise a diverse portfolio of companies, such as Jacuzzi, Tommy Armour Golf and Bear Archery.

It may be hard to see the industrial logic in a bath-to-

golf-clubs-to-arrows conglomerate ("Come and scratch my back with your eight-iron, Harry, I've dropped the quiver in the bath"), but the markets were mainly interested in the effect of the demerger on the parent company.

The deal will remove some \$85m of debt from the Hanson balance sheet, reducing the group's gearing to 38 per cent. Investors immediately speculated that the company was gearing up for a takeover bid; Yorkshire Electric and United Riscuits have been rumoured targets in recent weeks.

While the market is waiting for Hanson to act, it still has a couple of substantial bids on the table. Trafalgar House duly increased its bid for Northern Electric this week, but surprised the market by bidding less than expected - \$11 per share - and by accompanying the announcement with a profit warning.

The Trafalgar bid looks set for a closer finish than investors had previously expected,



Hanson announced a spin-off of non-core US businesses

although investors still seem confident that Glaxo's \$9bn plus bid for fellow pharmaceuticals group Wellcome will succeed.

Bid speculation emerged at Arjo Wiggins Appleton, the paper group, on rumours that St Louis, a 40 per cent shareholder, was ready to sell its stake. The shares managed to climb nearly 10 per cent on the week.

This week also marked the start of the main companies' reporting season, which may have given some clues to Footsie's lacklustre performance.

What was striking was the number of blue chip companies which seemed to disappoint the market with their results. Take National Westminster Bank, which reported a 61 per cent rise in pre-tax profits on Tuesday.

The shares fell more than 2 per cent on the day as investors concentrated on the bank's rising costs.

On Thursday, shares in ICI, British Gas and Shell all fell following their results announcements. All three reported substantial profit increases, but in the case of Gas and ICI, markets were particularly disappointed by unchanged dividend payments.

British Gas, which already had incurred bad publicity on the executive pay issue, now risked offending its institutional shareholders. Thursday's turnover in Gas shares was the highest since 1990 while the shares dipped 5p. A further decline yesterday left the shares 4.5 per cent down on the week.

ICI managed an 84 per cent rise in pre-tax profits, excluding exceptional, but said it

was committed to rebuilding its dividend cover. This did not look unreasonable in view of the fact that its total payout for the year was 27.5p, compared with earnings per share on continuing businesses of 37.5p.

But the markets still punished the chemicals company, with the share price dropping 5.3 per cent on the week, one of Footsie's worst performers.

ICI and British Gas appear to be exceptions to the norm, in terms of freeing their payouts. The four week average of the dividend index, which is calculated by subtracting cuts from increases and expressing the result as a percentage of the total number of announcements, rose to 64.4 per cent this week, its highest level in 1995.

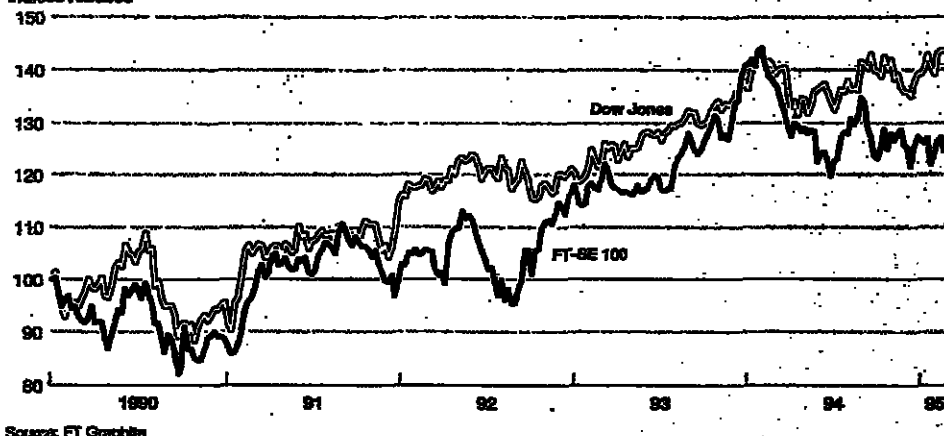
The market did manage a favourable reaction to one or two results announcements this week, notably in the insurance sector, where Royal Insurance and Guardian Royal Exchange both produced figures at the top end of expectations.

Nevertheless, a market rally is unlikely to be powered by the insurance sector. The likes of British Aerospace, Vickers and Wimpey, which report next week, will give a further clue to the health of the general UK economy.

The start of the week, however, may be dominated by political worries. While the government is unlikely to fall, even if it is defeated in Wednesday's Europe debate, the uncertainty is hardly guaranteed to inspire confidence in international investors. Footsie is unlikely to catch up with the Dow for a while yet.

Failing to keep up with the Dow Jones

Index rebased



Source: FT Graphite

Highlights of the week

| | Price of day | Change on week | 1994/95 High | 1994/95 Low | |
|---------------------|--------------|----------------|--------------|-------------|------------------------------|
| FT-SE 100 Index | 3937.7 | -6.5 | 3520.3 | 2876.6 | Dividend news disappoints |
| FT-SE Mid 250 Index | 3407.4 | -28.8 | 4182.6 | 3363.4 | Second-liners neglected |
| Airtours | 419 | -23 | 578.4 | 415 | Increased competition |
| Arjo Wiggins | 246 | +22 | 316 | 219 | St Louis stake sale talk |
| British Biotech | 439 | -32 | 615 | 311.4 | Concern over drug delay |
| British Gas | 286.4 | -13.4 | 368 | 253 | Dividend disappoints |
| Eastern Group | 697 | -42 | 886 | 566 | Sector bid speculation fades |
| Low & Bonar | 420 | +39 | 438 | 364 | Response to jump in profits |
| Lucas Inds | 173.4 | -17.4 | 239 | 156 | US defence orders ban |
| NatWest Bank | 504 | +14 | 622 | 421 | Excellent preliminary figs |
| Northern Elect | 1059 | -54 | 1138 | 599 | Increased offer disappoints |
| PowerGen | 513 | +18 | 602 | 449 | Nomura recommendation |
| TI Group | 333 | -17 | 455 | 328 | Nervous ahead of results |
| Telegraph | 436 | +56 | 622 | 310 | Share buy back anticipation |
| Yorkshire Elect | 832 | -42 | 908 | 604.4 | Swiss Bk reduces holding |

John Plender

Sacred cows aren't dead yet

But are takeovers any way to run a corporate sector?

This has not, so far, been a good economic year for sacred cows.

The biggest bovine casualty has been the conviction of most Britons that they can all grow richer by buying and selling houses. But what of the industrial equivalent - the notion that the corporate sector will grow ever richer through buying and selling companies, instead of investing in new plant and products? In a week when that acquisitive conglomerate Hanson is said to be clearing the decks for a giant bid, a safer prediction might be that more companies will be slaughtered than sacred cows.

So, here we go again. The City grapevine is abuzz with tales of takeovers in the pipeline. Yet, it is hard to see how a country can prosper if it treats its corporate sector like an oriental bazaar in which trade in companies is accorded higher priority than investment and productivity. Still, before we become too gloomy, let us at least take heart from the opportunities that now face British industry.

There is no greater Cassandra in the economics profession than Wynne Godley, one of the chancellor's panel of independent economic forecasters. Yet, he declared in the *Financial Times* this week that, for the first time since he left the Treasury in 1970, Britain had a macro-economic policy

designed to lay the foundations for sustained, non-inflationary growth.

Godley's point is that most of the expansionary impetus over the past two years has come from rising exports. At the same time, the government is addressing an acute fiscal shortfall by raising taxes to the tune of 3 per cent of gross domestic product over two years. The advantage of this draconian policy, in the present context, is that it leaves ample room for increased investment. The question is whether companies will seize the opportunity created by this outbreak of fiscal virtue.

In purely practical terms, they could not be better placed to do so. Unlike the personal sector, which is still burdened heavily with debt left over from the last stop-go binge, the corporate sector has put its balance sheet back in order. It is in the healthiest financial position since the second half of the 1970s, when fiscal policy was contracted out to the International Monetary Fund.

While the economy is still operating with plenty of slack, the spare capacity is distributed unevenly. There is plenty of it in sectors that rely heavily on domestic consumers and home-buyers for their revenues. But there is much less of it in manufacturing, where output has been growing very

strongly. The sensible outcome would be for companies to convert increased demand for exports through new investment in plant and machinery, instead of raising prices and permitting excessive wage increases as they have done so often in the past. If they use their growing cash flow on

The trade in companies is given higher priority than investment and productivity

takeover activity, the result will be actually to decrease capacity.

In Germany or Japan, the takeover option is so limited as to be of little economic importance. Their systems of corporate governance make hostile takeovers difficult. So, for cash-rich German or Japanese industrialists in a low inflation environment, the choice is stark. They can either invest in plant and machinery, or in much less exciting cash or bonds.

In the English-speaking countries, by contrast, they are reducing their hurdle rates of return very slowly. They remain vulnerable to the argument that buying a company via the stock market

or trading used shares. And it is always easy for industrialists to kid themselves that the application of their wonderful management skills to a takeover target will generate wonderful returns.

Profit-hungry merchant bankers are notably skilful at encouraging industrialists in this belief. The accountancy profession, in earlier economic cycles, even provided a form of acquisition accounting that was capable of throwing up large profits for the acquiring company when, in reality, it was making economic losses on the takeover.

The good news, this time round, is that the accountants - with the help of Sir David Tweedie, of the Accounting Standards Board - have started to address this lunacy. Conglomeration is less fashionable with investors. And there is a growing awareness that shareholders in the bidding company tend to do poorly from takeovers.

Against that, there is now evidence from the Confederation of British Industry that industrialists are worried about inadequate rates of return on new investment. Having burnt their fingers in previous inflationary cycles, they are reducing their hurdle rates of return very slowly. They remain vulnerable to the argument that buying a company via the stock market

provides cash flow from day one, together with cost-cutting opportunities that can be turned into cash far more quickly than the potential of a greenfield investment.

Also important is the nature of the bids, actual and potential, that pre-occupy the City. Forget, for the moment, Lord Hanson, who probably is best regarded as part of the ecological balance in the capital markets - a necessary predator in a UK-style system so long as he restricts his scavenging activity to low-tech, mature targets and eschews *folie de grandeur*. But what of Glaxo, where Sir Paul Girolami was hardly out of the door before an anti-takeover policy was junked by his successor. In pursuit of Wellcome? Is this the kind of industrial capacity we should be shrinking through hostile takeover?

As for Trafalgar House's bid for Northern Electric, it has done a service by revealing the inadequacies of electricity regulation. But the interests of industrial efficiency would surely be served better by breaking up the ramshackle (and apparently loss-making) Trafalgar House conglomerate than letting it loose on a regional electricity company which will incur mountainous debts as it defends itself.

Oh dear. There's life in the sacred cow yet.

Harry Riley is on holiday

THE PROLIFIC HIGH INCOME PEP. THE ONE JACK WOULD OPT FOR.

Imagine income which rises and rises, whilst the value of your capital flourishes. Yet this need be no fantasy.

Over the long term, this is exactly what the Prolific High Income Unit Trust has achieved. And what a story it makes.

If you had invested £1,000 at launch in 1974, the income paid out - having risen each and every year - would have reached £206 in 1994 alone, equivalent to a yield of 81%. Meanwhile, your capital would now be worth £20,200.

So to find out more about our tax-free High Income PEP and to benefit from our reduced initial charge of just 3% of the amount you invest, contact your independent financial adviser. Alternatively, post the coupon below. Because the opportunities could just grow and grow.

Please send me details about Prolific High Income PEP. Please return this coupon to Prolific Unit Trust Managers Ltd, FREEPOST, London EC4M 4TL.

NAME _____

ADDRESS _____

POSTCODE _____

If you do not wish to receive any further mailings from Prolific, please tick the box. ☐

PROLIFIC
CONCENTRATING ON INVESTMENT

Offshore managed funds and UK managed funds are listed in Section One

صندوق الاستثمار